

Germans Stirred Up Over Jobs

Thousands Protest As Unemployment Rises to 4.8 Million

By Alan Cowell

Bonn — Inspired by the example of French demonstrators but without their passion or numbers, unemployed Germans staged protests across the land Thursday as the Federal Labor Office announced a postwar record of 4.8 million people on the dole lines.

The labor office put the unadjusted number of unemployed in January at 4,823,200 — an increase of 301,600 over the December figure, pushing joblessness as a proportion of the work force to 12.6 percent from 11.8 percent.

Ominously, Eastern Germany recorded much higher unemployment in January, with a rate of 21.1 percent — just over twice the 10.5 percent of the more populous and prosperous states of Western Germany.

The increase came despite overall economic growth of about 2.5 percent annually, suggesting that while companies are prospering, they are cautious about incurring the cost of hiring new workers. Other government statistics released Thursday showed a fourth consecutive monthly fall in new orders for capital goods, indicating a possible slowdown in investment plans.

Allowing for seasonal adjustments, reflecting traditional slowdowns in businesses such as construction in the winter, the Labor Office figures said unemployment in January had actually fallen by 72,000.

But economists said it was too early to say whether this meant joblessness had peaked, and some analysts said the trend indicated that February's figures would go yet higher.

Even the seasonally adjusted statistics brought scant political relief for Chancellor Helmut Kohl, whose critics assailed him in Parliament for what the opposition Social Democrats called failed economic policies.

In political terms, it is the increase in overall unemployment — rather than the seasonally adjusted

See GERMANY, Page 12



Israeli soldiers carrying a fellow soldier as part of a drill. They wore masks designed for protection against chemical or biological attack.



President Clinton greeting Prime Minister Tony Blair at the White House on Thursday. Mr. Blair started a four-day visit to the United States.

Saddam Won't Be Target Of Attack, Clinton Vows

U.S. Marines to Join Rapid Military Buildup in Gulf

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton joined with Prime Minister Tony Blair of Britain on Thursday to begin mapping strategy for a possible military attack on Iraq but disavowed any notion that the Iraqi leader, Saddam Hussein, would be a specific target.

Mr. Clinton was asked at the start of a White House meeting with Mr. Blair if he might consider an attack on Mr.

The clamor to crush Saddam grows louder in the U.S. Page 4.

Saddam. The president replied: "That is not what the United Nations has authorized us to do. That is not what our immediate interest is about."

The strategy session with Mr. Blair came amid some of the strongest warnings yet from Russia, China and France that military might should not be used against Iraq.

Still, the U.S. aircraft carrier Independence sailed into the Gulf, joining two other American carriers and a Brit-

ish one (Page 4). And Mr. Clinton decided to send 2,000 U.S. Marines, now on navy ships in the Mediterranean, toward the Gulf, a defense official said.

Among other developments: The U.S. State Department advised all Americans abroad to beware of "random acts of violence" linked to tensions over Iraq. (Page 2)

Israel said it reserved the right to defend itself against an Iraqi missile attack on the Israeli coast, rejecting a request from Washington that it use the same restraint now as it used during the 1991 Gulf War. (Page 4)

The French foreign minister, Hubert Vedrine, for the first time stated that France would not join in any military strike, but he agreed with the United States that Baghdad's latest offer on arms inspections was "not enough."

President Boris Yeltsin said Russia would not accept "under any circumstances" U.S. strikes against Iraq.

The Chinese foreign minister, Qian Qichen, rebuffed a plea for support from Secretary of State Madeleine Albright in a telephone call. Speaking later on state-

run television, he said he told Mrs. Albright that any military strike would fail and might even make matters worse.

The president started the day with a prayer breakfast at which he spoke of the "difficult decision we are facing now" because of Americans' concern "that we not expose our children — if we can help it — to the dangers of chemical and biological warfare."

Mr. Blair, on an official visit to the White House, praised Mr. Clinton's demand for unconditional access by United Nations weapons inspectors to Iraqi sites, and declared that unless Mr. Saddam "doesn't come back into line to let weapons inspectors in, then we will have to force him to do so."

Mr. Blair's spokesman said the two leaders' talks would center on logistical preparations for possible military action. "If it comes to force, then we have to be in a position to ensure that any use of force is carried out effectively," the spokesman said.

Mr. Blair's aides said that Britain was

See IRAQ, Page 4

Starr Defends Inquiry: 'It's Law, Not Politics'

Prosecutor Takes Strongest Stance to Date

By Brian Knowlton

WASHINGTON — The independent counsel, Kenneth Starr, offered on Thursday the strongest public defense yet of his investigation of President Bill Clinton, insisting that his motives were apolitical and adding, "We have made very significant progress."

"There are those who view the law as a way to do politics by other means," Mr. Starr said in Little Rock, Arkansas. "We do not."

Several supporters of the president — notably his wife, Hillary Rodham Clinton — have depicted the Starr investigation as a weapon in the hands of rightist enemies of the president who have wanted for years to weaken or unseat him.

President Clinton issued a new denial Thursday of the allegations that he had a sexual relationship with Monica Lew-

insky, a former White House intern and clerk, and then sought to persuade her to lie about it in a sworn affidavit.

Answering a reporter's question at an appearance here with the visiting British prime minister, Tony Blair, Mr. Clinton said, "I have already denied the legal charges, strongly, and I do so again."

The Washington Post reported that Mr. Starr had admitted, in a written "proffer" to Mr. Starr's office, that she did have a sexual relationship with Mr. Clinton. But the Post said prosecutors rejected the proffer because it contained confusing indications of what she would say about possible attempts by Mr. Clinton or others to urge her to deny such a relationship under oath. (Page 3)

Mr. Clinton and Mr. Blair stood side by side on Thursday, holding coffee cups as if to strike a relaxed pose, but the president appeared pained when asked

See CLINTON, Page 12

Asian Nations Warn Japan Its Influence Is on the Wane

By Michael Richardson

SINGAPORE — Southeast Asian countries, voicing new concern about the region's economic and financial crisis, will tell Japan next week that it must hasten banking reforms and moves to stimulate its economy if it wants to make a more effective contribution to regional recovery.

Southeast Asian officials said Thursday that the unusually muscular diplomatic message from

The U.S. is nearer approval of new funds for IMF. Page 13.

ASEAN, the Association of South East Asian Nations, carried an implicit warning that Japanese influence among its neighbors was in danger of waning.

ASEAN's views will be conveyed by Anwar Ibrahim, the Malaysian deputy prime minister and finance minister, when he visits Tokyo. Malaysia currently chairs the group, which consists of Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

The officials said the message represented the collective position of ASEAN and would reinforce similar statements of dissatisfaction made recently by senior U.S. officials about what the U.S. trade representative, Charlene Barshefsky, said was an "absolutely inadequate" Japanese response to the regional crisis.

Japan's role is seen as vital because it is by far the largest economy in Asia and has traditionally been the biggest source of investment, loans and aid as well as a major trading partner.

The core of ASEAN's concern, Southeast Asian officials said, is that Japan is not doing enough to open its markets and absorb more imports from the region. In addition, they want Tokyo to get its banks more constructively in-

See AEAEN, Page 12

Window on an Old Epoch

Fossils From 'Springtime,' 600 Million Years Ago

By Kathy Sawyer

WASHINGTON — Scientists have unearthed what appear to be the first fossils of complex animal ancestors dating from almost 600 million years ago, opening a window on a mysterious and crucial epoch in the history of life on Earth that many researchers thought would never be revealed.

Perhaps most stirring, the exquisitely preserved fossils — from a period in which a fossil record was not considered likely — include fragile animal embryos no bigger than grains of sand. These embryos were frozen forever in their earliest stages of growth and are revealed in three-dimensional precision down to the level of individual cells, researchers report.

There are also abundant marine algae and sponges — the oldest known representatives of any animal group alive today.

The discovery, which scientists hailed Wednesday as one of the most important evolutionary developments of this century, sent ripples of excitement through the paleontology community.

Many had been convinced that such an ancient time, presumably populated with very small, squishy, slithery creatures, could not have bequeathed modern science much of a fossil record.

Although they knew life must have existed in some form before 540 million years ago, researchers had found vir-

See ORIGINS, Page 12

A Fresh Look At Early Life

Two groups of researchers have shown that multicellular animals — sponges, jellyfish and maybe more complex animals — had evolved by 570 million years ago, much earlier than had been thought.

PRESENT DAY
100,000 to 200,000 years ago: advent of modern humans

EARLIER DISCOVERY
540 million years ago: Many multicellular animals lived, as shown by fossils in the Burgess Shale.

NEW DISCOVERY
570 million years ago: Multicellular animals had evolved by this point, two new studies show.

500 million to 570 million years ago: Cambrian Era

3.6 billion to 3.8 billion years ago: simplest life forms evolve

EARTH FORMS
4.6 BILLION YEARS AGO

The New York Times

High on Nagano Agenda: The Burnishing of Images

Japan and World Sports Badly Need a Lift

By Kevin Sullivan

NAGANO — Amid high-tech wizardry and the echoes of an ancient culture, the 18th Winter Olympics open Saturday in a nation in need of a lift and a sporting world looking for a new generation of heroes.

Japan, suffering from its worst economic recession since World War II, has spent a record \$13 billion to stage an Olympics that organizers hope will be an antidote to a deep national malaise. Instead of relentless news about bankruptcies and corruption, Japan hopes television viewers around the world will see warm images of Japan's high-tech magic, effusive hospitality and cultural treasures.

"With all the bad news, the Japanese people are not so sure anymore what we have that we can be proud of," said Akira Saito, sports editor of the newspaper Yomiuri Shimbun. "Even though

this is only a sports event, the Japanese people have found something we can show to the world."

The international sports community, too, is hoping Nagano will provide a celebration of athletics unspoiled by scandal. The sports world is hoping to repair its image, and shift public attention away from the drug-testing laboratories and back to the competition after a drug scandal in January involving Chinese swimmers at the world championships in Australia.

The approximately 2,500 athletes who will compete are poised to give Japan and the rest of the world the inspirational, made-for-television drama they want. Legend-making is up for grabs in Nagano. Two telegenic American teenagers — Michelle Kwan and Tara Lipinski — along with Nicole Bobek have been dubbed the new U.S. Dream Team in figure skating, and some people in American skating believe they could

See GAMES, Page 20

Discontent Boils Over in Zimbabwe

Corruption Scandal Triggered Economic Crisis for Mugabe's Rule

By Lynne Duke

HARARE, Zimbabwe — War veterans shouted down President Robert Mugabe during a speech and stormed his party headquarters to protest suspended disability pay. In Parliament, Mr. Mugabe's ruling party defied him. Disgruntled farm laborers marched to demand better working conditions, and urban workers angered by tax hikes shut down this capital city for a day.

All this discontent over the last year was just a prelude. Last month, this city was hit by its first serious wave of unrest in 18 years of independence, as thousands of rioters angered by yet another price hike for cornmeal, the staple food, caused such destruction and anarchy for

three days that the army was deployed to restore order. Five people were killed.

As this formerly socialist nation undergoes a difficult transition to a free market, Mr. Mugabe finds himself not only in battle with an economy out of control, but also with an increasingly restive population. Zimbabweans once saw him as father of the nation — he led the independence struggle against Britain — but now want to know what he has done for them lately.

Many people predict that if the government does not rein in the spiraling prices, a depreciating currency, rampant unemployment and creeping governmental corruption, then more unrest will likely follow.

In Chitungwiza, a suburb 20 kilometers (12 miles) south of the city cen-

ter where a large shopping mall was picked clean in the January rioting, a young woman named Florence said more riots were needed to force the government into action. "We want it to happen again, because nothing has changed," she said.

In this nation of 12 million, peaceful during the years of socialist policies, which ended in the early 1990s, scenes of rioters looting stores and battling with the police would appear to represent instability. But this is a de facto one-party state in which Mr. Mugabe's party holds all but 3 of the 150 seats in Parliament.

The protesters "are not afraid anymore," said Sam Moyo of the Southern

See ZIMBABWE, Page 12

Newsstand Prices

Andorra	10.00 FF	Labanon	11.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameron	1,600 CFA	Qatar	10,00 QR
Egypt	10.00 FF	Reunion	12,50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Dh
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	\$1.20

The Dollar

	Thursday 4 P.M.	previous close
New York	1.787	1.80
DM	1.8543	1.8567
Pound	123.555	123.55
Yen	5.888	6.037
FF		

The Dow

	Thursday 4 P.M.	previous close
-12.46	8117.25	8129.71
S&P 500		
change	1003.53	1008.50
-3.37		

PAGE TWO

Brazil Fights Asia 'Domino Effect'

INTERNATIONAL Page 4.

The EU Role in Mideast Peace

Books Page 11.

Crossword Page 4.

Opinion Pages 8-9.

Sports Pages 20-21.

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'Moral Equivalent of War' / Victim of Asian Crisis

Brazil Struggles to Defend Its Currency and Society

By Roger Cohen
New York Times Service

SÃO PAULO—Edmar Bacha, a Brazilian banker, has a new routine. Every afternoon he logs on to the Internet, reads the next day's issue of The Korea Herald and decides what he will tell the anxious executives from Merrill Lynch and Fidelity Investments who keep asking him where Brazil is headed.

"I get very worried on days when the Koreans don't seem as worried as I am," he said. "Let's face it, if Korea or Indonesia goes and Japan is hit, then who cares about fiscal adjustment in Brazil or anywhere else? Everyone's out of here and into United States Treasury bills."

Since the Asian crisis deepened in October, Brazil has dug in for what senior officials call "the moral equivalent of war"—a war to prevent Brazil from becoming "the next domino."

The stakes are huge. Brazil dwarfs Argentina and Mexico, constituting through its size and influence the key to a stable, prosperous Latin America. This is the world's fifth-largest country, whose population at 163 million is bigger than Russia's and whose industrial output surpasses China's.

Despite frequent bickering at U.S. domination of the post-Cold War world, Brazil has opened its economy to that world. Its transformation illustrates the free-market upheaval that brought 5 percent growth to Latin America in 1997 and a record \$43 billion in direct foreign investment.

But with this shift, the country seems poised on a knife's edge. In stark terms, Brazil poses the question of whether global economic pressures exact too high a cost in social stability in societies that are among the most unequal in the world.

The measures Brazil has taken to save its currency—steps that have thus far satisfied the fast-moving global markets—are hurting the poor and the lower middle class. The Asian crisis has meant high interest rates and lost jobs. Many Brazilians who were buying cars or stoves on credit can no longer do so because efforts to attract international capital have pushed interest rates close to 40 percent a year.

Tens of thousands of state employees have been dismissed, thousands of autoworkers idled. Brazil has shunned an agreement with the International Monetary Fund, which officials here equate with a loss of sovereignty, the failed IMF programs of the 1980s debt crisis and gentrification to the United States. The country is trying to bend to market forces while retaining its national identity and regional influence, in order to join the global economy on its own terms.

U.S. companies have poured money into Latin America, accounting for a big share of the record \$16 billion invested in Brazil last year, the record \$9 billion in Argentina and the record \$12 billion in Mexico. Bell South paid \$2.5 billion just for the air over São Paulo—for which it has been



A camp in São Paulo state set up by a rural workers' movement for some of the many Brazilians made jobless by austerity measures.

granted the cellular-phone license.

But international markets remain edgy about Brazil's deficits and a currency widely regarded as overvalued by about 15 percent.

"Brazil looks like a ripe case for financial risk," said Jeffrey Sachs, who heads the Harvard Institute for International Development. "It has an overvalued currency and a recession looming as it moves into an election year."

Brazil's government, however, is desperate to avoid a devaluation of its currency, the real, a step it equates with a return to hyperinflation.

"People are suffering," Finance Minister Pedro Malan said, "but they would suffer more if we did not do whatever it takes to preserve the real plan. Our economic opening is irreversible."

The unanswered question, however, is whether this opening will spread prosperity or concentrate it further. Surveys by IBGE, a Brazilian economic institute, suggest that the richest 20 percent of the Brazilian population still hold more than 60 percent of the nation's wealth, while the poorest 20 percent account for about 2 percent. In the United States, by comparison, the richest 20 percent hold 42 percent of the national income, and the poorest 20 percent have 5 percent.

Out in the far west of São Paulo state, in an area known as the Pontal, red clouds of dust bluster across a wide and empty landscape. Cultivation is rare; the few head of cattle offer

isolated signs of life. Landless peasants camp beneath flimsy shelters, a reminder of the strains that tear at the economy even of this most advanced Brazilian state.

IN A SCHOOL in the small town of Teodoro Sampaio sits Miriam Farias de Oliveira, who has just been dismissed from her \$200-a-month job organizing the distribution of school lunches. She is one of the more than 30,000 state employees laid off as Brazil tries to shore up the currency against Asian buffeting.

"I was told I had not passed the requisite exam for the job," she said. "I had no warning."

Mrs. Farias de Oliveira, 46 and divorced, lives with her two children in a small rented house. Even before the crisis in Asia affected her, she had had a bad year. On Feb. 23, 1997, she was shot by men apparently hired by big landowners in the area. The bullet smashed three ribs.

The shooting took place at a nearby estate called São Domingos. It had been occupied by peasants and by unemployed urban poor—members of the Movimento dos Trabalhadores Rurais Sem Terra, or Landless Rural Workers Movement. Known as MST, it is the fastest-growing movement of the poor and those newly dismissed by the global economy.

Mrs. Farias de Oliveira had gone out to São Domingos to support the occupation. She was

carrying the red flag of the movement when gunmen shot her.

The shift to an open economy in Brazil has come against a backdrop of extreme poverty that leaves armies of destitute migrants drifting across the country in search of a means to survive.

The rural workers' movement has become the main conduit for resentment toward these changes. It has organized 279 occupations over the past three years and now has illegal camps on 552,000 hectares (1.38 million acres). More than 51,000 families live in these camps—21,000 of them arrived just last year.

The movement's leaders are vague about financial support but indicate that labor unions and the Roman Catholic Church are sources. Leftist parties and unions have grown weaker. But the movement has learned to use instant communications to advertise actions of police officers and landowners once protected by their regions' geographical remoteness.

"The social impact of free-market reform can be very negative at first," said Milton Seligman, president of the National Institute for Land Reform in Brasília. "But whatever the MST think, socialism is dead. We're in the international dance hall now, and we have no choice but to dance. If we can confront the challenge, provide schools, land, health, Brazil can be a major international power within 15 years."

Israeli Jubilee In Disarray as Director Quits Over Leaks

By Serge Schmemmann
New York Times Service

JERUSALEM—After the successive resignations of three directors of the committee planning Israel's 50th anniversary celebrations, the government minister in charge of the jubilee has also quit in a huff, leaving preparations in even deeper disarray a week before the festivities are to begin.

With the committee mired in constant political, budgetary and personal squabbles, even the date of the formal inauguration of the jubilee year has been changed several times, and many events have been canceled or changed.

Tourism Minister Moshe Katsav said Wednesday that he was quitting as the government's director of the anniversary celebration because of "very offensive stories" that he said had been leaked to the press by the prime minister's office.

He said he had contemplated quitting the government altogether, but pulled back after Prime Minister Benjamin Netanyahu issued a statement condemning the attacks in the press.

Mr. Katsav's resignation came a week and a half after Yitzhak Mordechai, a former finance minister, resigned as chairman of the Jubilee Celebrations Committee, charging that "Katsav took every opportunity to raise obstacles in order to get his name in the paper."

Mr. Katsav retorted, "He was capricious, and they warned me about his outbursts of anger."

With much of the schedule for the anniversary largely fixed, it seemed unlikely that the leadership shuffle would have much effect.

The original proposal for a budget of \$70 million has already been slashed by more than half, and only \$14 million has actually been allocated so far.

According to Jerusalem Report, a bi-weekly newsmagazine, many of the events originally envisioned for the year—including flying 50,000 young foreign Jews to Israel, televising celebrations live around the world and holding conventions of Jewish Nobel Prize winners, lawyers and legislators—were abandoned for lack of funds.

Keep Alert Over Iraq, U.S. Advises Citizens

Reuters

WASHINGTON—The State Department has advised all Americans abroad to beware of "random acts of violence" linked to tensions over Iraq, although it said it knew of no specific threats.

The "worldwide caution" issued Thursday was similar to one from the department Nov. 19 during a previous standoff with Iraq over Baghdad's attempts to block UN arms inspections.

The warning then referred to "the general situation in the Middle East," but this one specifically cited Iraq's defiance of the United Nations and Washington's dispatch of forces.

While diplomatic options have not been exhausted, the government of Iraq continues to make provocative and confrontational statements, it said.

The announcement urged U.S. citizens living or traveling abroad to "exercise greater than usual caution" and said U.S. diplomatic posts worldwide were taking "appropriate security precautions."

Haroun Tazieff, Volcano Expert, Dies

Reuters

PARIS—Haroun Tazieff, 83, the French volcano expert whose dramatic films of lava streams made erupting volcanoes familiar to millions of television viewers, died Monday in a Paris clinic after a long illness, relatives said Thursday.

Mr. Tazieff, an adventurer and early environmentalist who became a cabinet minister, climbed many of the world's most dangerous volcanoes, defying toxic fumes and deadly rains of lava to reveal and help understand one of nature's most terrifying forces. He was one of the most popular personalities in France.

"He was as much a scientist as one of the century's great adventurers," President Jacques Chirac said. He said Mr. Tazieff had virtually invented vulcanology—a sci-

ence Mr. Tazieff's talent as a storyteller made familiar to the public.

"Everything he learned and discovered, he offered to all rather than keep it to himself," said former Prime Minister Laurent Fabius, who took Mr. Tazieff in his cabinet in 1984 as secretary of state for the prevention of natural and technological disasters.

Prime Minister Lionel Jospin recalled the "volcanic temper" of Mr. Tazieff, who once caused a stir by forecasting that France would be hit by a major earthquake. It has yet to happen.

An iconoclast, Mr. Tazieff cast doubts on global warming.

He clashed in 1976 with Claude Allegre, a scientist who wanted 75,000 villagers evacuated from the slopes of the Soufriere volcano on the

French island of Guadeloupe. Mr. Tazieff said there was no risk for the population, and he turned out to be right. "Many French people will miss him," Mr. Allegre, now the education minister, said Thursday.

Mr. Tazieff was born in Poland. His father, a Russian, died while he was an infant, and he went with his Polish mother first to Saint Petersburg and then to Belgium, where he studied geology and agriculture before going to work in France.

After World War II, he moved to Africa to work in mining. It was while he was there that he first witnessed a volcanic eruption.

"To capture the beauty of an eruption you would need to be a van Gogh," he said. "To bring it to a wider audience, he became one of the first people to film eruptions close up, in 'Les Rendez-vous du Diable,' or 'Dates With the Devil,' in the 1950s.

Richard Cassilly, 70, Tenor With Big Voice

NEW YORK (NYT)—The American tenor Richard Cassilly, 70, who was a mainstay in the belcanto repertoire in opera houses around the world for 30 years, died

Friday of a cerebral hemorrhage in Boston, where he lived, his family said.

Mr. Cassilly had a 6-foot, 3-inch, 250-pound frame and a voice to match: a burly tenor with a bright ping on the top notes. He was best known for his portrayals of the Wagnerian heldentenor roles, Tristan, Siegmund and Tanhauser, as well as other dramatic parts that require vocal heft and stamina.

Chikuzan Takahashi, 87, Master of Tsugaru Lute

TOKYO (AP)—Chikuzan Takahashi, 87, a legendary master player of the Tsugaru shamisen, died Thursday of larynx cancer at a hospital in Aomori, northern Japan, a family member said.

Mr. Takahashi, whose real name was Sadazo Takahashi, lost his eyesight as an infant after contracting measles. He started playing the instrument, a three-stringed plucked lute unique to the Tsugaru region of northern Japan, at the age of 15.

He rose to prominence for his shamisen melodies played as accompaniment to folk songs, riding a boom in the popularity of such music after World War II.

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TRAVEL UPDATE

Crete Airport Closed

ATHENS (AP)—Hundreds of farmers blocked major roadways and an airport on the island of Crete on Thursday as a warning of their determination to shut down Greece's transportation system.

Olympic Airways, the national carrier, was forced to cancel flights to the city of Iraklion after farmers occupied the international airport there. They announced they would keep the airport closed until Friday.

Main highways in northern and central Greece were also blocked as part of weeklong farmers' protest demanding more subsidies and lower fuel prices.

U.S. Low-Fare Flights

WASHINGTON (WP)—US Airways Inc. has unveiled plans for Met-

rol, a low-cost air service that the carrier is banking on as its answer to Southwest Airlines and Delta Express in the eastern United States.

The new operation, effectively an "airline within an airline," will start from Baltimore-Washington International Airport on June 1 with bargain-fare service to Cleveland; Fort Lauderdale, Florida; Providence, Rhode Island; and Manchester, New Hampshire.

Fiji's hotels and national airline are trying to hold down prices and are seeking government help to shield the tourism industry from the effects of the Asian economic crisis. The Fiji Hotel Association announced recently that its members had agreed to freeze accommodation rates for the rest of this year. (AP)

WEATHER

Europe

Today High Low W High Low W
Algeria 68/48 68/48
Amsterdam 60/40 60/40
Athens 72/52 72/52
Aix-les-Bains 72/52 72/52
Barcelona 68/48 68/48
Berlin 60/40 60/40
Brussels 60/40 60/40
Budapest 60/40 60/40
Cape Town 60/40 60/40
Cairo 60/40 60/40
Copenhagen 60/40 60/40
Düsseldorf 60/40 60/40
Frankfurt 60/40 60/40
Geneva 60/40 60/40
Hamburg 60/40 60/40
Heidelberg 60/40 60/40
Lyon 60/40 60/40
Madrid 60/40 60/40
Munich 60/40 60/40
Moscow 60/40 60/40
Nuremberg 60/40 60/40
Paris 60/40 60/40
Prague 60/40 60/40
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St. Petersburg 60/40 60/40
Stockholm 60/40 60/40
Tallinn 60/40 60/40
Tel Aviv 60/40 60/40
Vienna 60/40 60/40
Warsaw 60/40 60/40
Zurich 60/40 60/40

Forecast for Saturday through Monday, as provided by AccuWeather.

North America Today High Low W High Low W
Alaska 60/40 60/40
Arizona 60/40 60/40
Arkansas 60/40 60/40
California 60/40 60/40
Colorado 60/40 60/40
Connecticut 60/40 60/40
Delaware 60/40 60/40
Florida 60/40 60/40
Georgia 60/40 60/40
Hawaii 60/40 60/40
Idaho 60/40 60/40
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Utah 60/40 60/40
Vermont 60/40 60/40
Virginia 60/40 60/40
Washington 60/40 60/40
West Virginia 60/40 60/40
Wisconsin 60/40 60/40
Wyoming 60/40 60/40

Asia

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Africa

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Oceania

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Offer

THE AMERICAS

Starr Rejects Immunity Deal for Lewinsky

By Susan Schmidt
and Peter Baker
Washington Post Service

WASHINGTON — The independent counsel, Kenneth Starr, has rejected a proposed cooperation agreement from Monica Lewinsky's lawyers and has given them until the end of the week to make the former White House intern available for questioning or let her face possible prosecution, according to sources with knowledge of the investigation.

Prosecutors decided the written statement from Ms. Lewinsky was not solid enough to form the basis of an agreement because it contained inconsistencies and contradictions, Ms. Lewinsky acknowledged having had a sexual relationship with President Bill Clinton in the statement, the sources said, but she gave a muddled account of whether she was urged to lie about that relationship to lawyers in the Paula Jones sexual harassment suit.

Ms. Lewinsky's lawyer, William Ginsburg, submitted the statement — a "proffer" spelling out what she would testify to if given an immunity deal or plea bargain — late Monday and left with his client for California the next morning because Ms. Lewinsky wanted to see her father. It was the first time in protracted talks between the two sides that any proposed statement has been put in writing.

Mr. Starr's office notified Mr. Ginsburg late Wednesday that the statement alone was unacceptable. Prosecutors told him they would like to interview Ms. Lewinsky herself to get her story. They have asked that she submit to questioning early next week, the sources said.

(Mr. Ginsburg declined to comment on reports of the rejection, saying it would be irresponsible to talk about negotiations with Mr. Starr's office. The Associated Press reported. But he added, "If Judge Starr's object of this whole investigation is to get Monica Lewinsky in a conviction and jail time, then we have to look at how our tax dollars are being spent.")

Mr. Ginsburg made a detailed oral presentation early last week to prosecutors in his effort to get immunity for his client in exchange for her testimony. That statement contained more information than Ms. Lewinsky's written recollections, according to sources familiar with the statement, and conflicted with it in some areas.

Mr. Starr is investigating whether Mr. Clinton and his close friend Vernon Jordan Jr. urged the 24-year-old Ms. Lewinsky to conceal a sexual relationship with the president in a sworn affidavit last month, lining up a public relations job for her in New York as an inducement to keep quiet.

In her statement, sources said, Ms. Lewinsky asserted that she was not urged to lie to Mrs. Jones's lawyers, but was told to tell a certain version of events — one that did not actually happen.

Ms. Lewinsky did not discuss the origins of one of the crucial pieces of evidence in the investigation — the so-called talking points she gave to Linda Tripp, the onetime friend who secretly tape-recorded her conversations about Mr. Clinton and Mr. Jordan. Sources said that Mr. Ginsburg had told prosecutors that Ms. Lewinsky was prepared to provide a full version of events — including the origins of the talking points — if an agreement was concluded based on her statement.

Ms. Lewinsky gave the three-page talking points document to Ms. Tripp on Jan. 14 in anticipation of Ms. Tripp's own deposition in the Jones case. One page of the document that has surfaced publicly urged Ms. Tripp to change the story she had already told a reporter about seeing another White House aide outside the Oval Office, her makeup smeared and clothing askew and asserting that the president had just made a pass at her.

Individuals who have spoken to Ms. Tripp — who went to prosecutors last month with her tape recordings — have said the other pages of the talking points discuss how Ms. Tripp should deny any knowledge that Ms. Lewinsky had any sexual relationship with the president.

New details also emerged Wednesday about Ms. Lewinsky's three dozen visits to the White House after she left her job there in April 1996 for a position in the Pentagon press office.

A source with knowledge of Secret Service entry and exit logs said she visited the White House 10 to 12 times in the latter half of last year. Six to eight of those visits were in late October, November and December, a period when she was worried about having to testify in the Jones suit and was seeking a job in New York.

During his own deposition Jan. 17 with Mrs. Jones's lawyers, Mr. Clinton denied having had a sexual relationship of any nature with Ms. Lewinsky, sources said. He also denied having been alone with her during her visits to the White House or having met with her any time after Christmas. Sources have told The Washington Post that Mr. Clinton and Lewinsky met on Dec. 28 at the White House.

Mr. Starr's decision to reject the proffer may reflect confidence in the rest of the case he is building. In recent days, his office has moved to find witnesses who may have seen Mr. Clinton and Ms. Lewinsky together, including White House valets and Secret Service agents.

Prosecutors brought one valet, Bayani Nelvis, to the grand jury Wednesday for the second time. Mr. Nelvis works in the tiny kitchen-pantry just off the Oval Office and has a firsthand view of much of what goes on in the president's suite.

During more than a week of testimony, Starr prosecutors have been taking the grand jury on what amounts to a guided tour of the West Wing, as current and former officials were asked about the layout of offices, the location of each door, who worked there, what access they had and what could be seen in the Oval Office and adjoining study. Mr. Starr's staff wants "to establish that it would be possible for the president to be alone with her and to show it also would be unusual for him to be alone with her," said one person who has talked to investigators.



A White House steward, Bayani Nelvis, in cap, leaving a Washington court where he testified to a grand jury.

Reporting on the Scandal: A Case Study

Paper's Fact-Checking Suffers in Scramble With Internet and Cable TV

By Howard Kurtz
Washington Post Service

WASHINGTON — A White House spokesman, Joe Lockhart, got the call from a Wall Street Journal reporter shortly before 4 P.M.

Did Mr. Lockhart have any comment on the newspaper's information that a White House steward, Bayani Nelvis, had told a federal grand jury he had seen President Bill Clinton and Monica Lewinsky alone in a study next to the Oval Office?

Mr. Lockhart said he would have to check, but moments later the reporter, Glenn Simpson, told him that the story had already been posted on the Journal's World Wide Web site. What's more, the paper put out the story on its wire service while Alan Murray, its Washington bureau chief, was talking about it on CNBC, the Journal's new television partner.

"The normal rules of checking or getting a response to a story seem to have given way to the technology of the Internet and the competitive pressure of getting it first," Mr. Lockhart said in an

interview later. Mr. Murray replied, "The White House has made it quite clear that they are not going to provide information on this sort of thing." He added, "We had our information solid."

Within 90 minutes, however, Mr. Nelvis's lawyer, Joseph Small Jr., had put out a statement calling The Wall Street Journal's report relating to the grand jury testimony "absolutely false and irresponsible." Efforts by The Washington Post to confirm the report brought strong denials from several sources close to the investigation, who said no such testimony had been given by Mr. Nelvis.

The Web story, by Mr. Simpson and another Journal reporter, Brian Duffy, was attributed to two individuals "familiar" with Mr. Nelvis's testimony.

"We continue to believe our report is correct," the Journal's managing editor, Paul Steiger, said.

In a subsequent posting, the Journal softened its story by deleting the assertion that Mr. Nelvis had made the allegations to the grand jury. Instead, the story said

Mr. Nelvis had told "Secret Service personnel" about the alleged encounter.

The lightning-quick sequence underscored the increasing velocity of the news cycle, particularly during the latest White House scandal. In contrast to the days of the Watergate scandal 25 years ago, when news was made once or twice a day, newspapers and magazines find themselves in a round-the-clock environment in which they can move as quickly as CNN.

Mr. Duffy called the newspaper's contacts with the White House "unfortunate timing," saying, "We tried to get a response, and things were moving so quickly that they didn't get back to us in time. Ideally, it's not the way you'd want to do this. We were sort of scrambling."

Why would the Journal rush to tell the world about a supposed exclusive that it could have simply put in the next morning's newspaper?

"We heard footsteps from at least one other news organization and just didn't think it was going to hold in this crazy cycle we're in," Mr. Duffy said.

Media Seek End to Secrecy in Jones Case

By David Stout
New York Times Service

WASHINGTON — Lawyers for The New York Times and several other news organizations have moved to set aside or modify a far-reaching secrecy order imposed by the judge presiding over the sexual-harassment suit against President Bill Clinton.

The motion was filed Wednesday before U.S. District Judge Susan Webber Wright in Little Rock, Arkansas. Judge Wright is hearing the suit brought by Paula Jones, who contends that Mr. Clinton made a crude sexual proposal to her in a Little Rock hotel room in May 1991, when she was a state clerical employee and he was governor of Arkansas.

"This is a case of very significant and legitimate public interest," Nancy Nielsen, a spokeswoman for The Times, said Wednesday. "In a case like this, where there are leaks every day from most quarters, the public should be entitled to hear first hand from all participants."

Judge Wright imposed the secrecy order last October in an effort to quell increasingly lurid publicity about the lawsuit, which from its inception four years ago has created a blend of legal issues, politics and off-color jokes. The judge sealed documents relating to pretrial discovery and ordered lawyers not to talk about the case.

Lawyers for The Times and the other news organizations argued that the judge's order had not worked and had merely spawned leaks, counterleaks and

speculation. Joining the motion were the ABC, NBC and CBS television networks, CNN, Time magazine, The Associated Press, USA Today and Newsday.

The motion asks Judge Wright to lift the ban on parties and lawyers talking about the case and to allow access to legal documents.

Asked whether the motion was important to anyone except journalists and lawyers, Ms. Nielsen said that it was because, as a general principle, "the people should be entitled to know what's going on in a public court."

The case is to go to trial May 27, but Mr. Clinton's lawyers have asked for it to be advanced to March 23.

Counsel's Inquiry Points Finger at Intern's First Lawyer

By John Mintz
Washington Post Service

WASHINGTON — Lawyers for Francis Carter, the attorney first hired by Monica Lewinsky, say that the delay in formally filing her affidavit denying a sexual relationship with President Bill Clinton was not related to efforts by Mr. Clinton's friend Vernon Jordan Jr. to find Ms. Lewinsky a job in New York.

Ms. Lewinsky gave her affidavit to Mr. Carter on Jan. 7, but it was not filed until Jan. 16. In the interim, she was offered a job with Revlon, following an interview arranged by Mr. Jordan, a member of the company's board of directors. Mr. Jordan also arranged Mr. Carter's legal representation of Ms. Lewinsky.

The independent counsel, Kenneth Starr, has been pursuing the possibility that Ms. Lewinsky withheld formally filing the affidavit in response to a subpoena she received in the Paula Jones sexual harassment case, until a New

York job came through, according to sources close to the investigation. That theory, the sources have said, grew out of the close juxtaposition of these events, and comments Ms. Lewinsky reportedly made about her desire to hold off filing the affidavit until she had the job offer in hand.

But sources close to Mr. Carter said Wednesday that the delay in filing the affidavit was a technical formality in no way connected to Ms. Lewinsky's job hunt. They said that Mr. Carter notified Mrs. Jones's attorneys about the contents of Ms. Lewinsky's affidavit immediately after she made her statement denying an affair with Mr. Clinton.

Mr. Carter is preparing to fight a subpoena directed at him by Mr. Starr's investigators, the sources said. On Jan. 22, Mr. Starr's office subpoenaed Mr. Carter's telephone message slips and other notes reflecting Mr. Carter's conversations with Mr. Jordan regarding Ms. Lewinsky. Mr. Carter is asserting that his contacts with Mr. Jordan fall

Execution Stirs Emotion, But Did It Change Minds?

Articulate, Attractive Tucker Made Impact

By Sam Howe Verhovek
New York Times Service

HUNTSVILLE, Texas — Not since 1977, when a Utah firing squad shot Gary Gilmore, the first prisoner put to death after the Supreme Court allowed resumption of capital punishment in the United States, has so much attention been focused on an execution.

But now that Texas has executed Karla Faye Tucker, a kindly looking, born-again Christian, despite pleas for mercy from around the world, the most significant question is not really why she commanded all the publicity but whether that execution has done anything to change the dynamics of the nation's debate over the death penalty.

Opponents of capital punishment hope so. Many said that the execution of Ms. Tucker, a pickax killer who had become a virtual guest in American living rooms in recent days, had put a particularly human face on those condemned to death, and predicted that it would galvanize people like Jennifer Morgan, a 25-year-old accountant in Boston.

"Before this, I was for the death penalty," said Ms. Morgan, one of dozens of people interviewed around the country Wednesday about their reaction to the Tucker execution, at a state prison here on Tuesday night. "But when you come to know someone through these television shows, it makes you think: Is that what they deserve?"

Death penalty supporters offered an opposing assessment. The state's resolve to see the sentence through, many said, marked an important moment reflecting a willingness to get serious about actually carrying out the death penalty in a country where only a small fraction of those condemned to die are in fact executed.

The execution sent a powerful message, said Dianne Clements, president of Justice for All, a victims' rights group based in Houston.

"Regardless of your gender," she said, "those who are convicted and given that punishment can expect that punishment to be carried out."

There was certainly a third school of thought: That Ms. Tucker's execution was simply the latest media spectacle and that, with the nation's television audience simply moving on to the next big event, it would have no great lasting significance.

Still, Ms. Tucker, the first woman executed in Texas since the Civil War, was far different from most prisoners facing death. Through a barrage of television interviews in recent weeks, she clearly managed to humanize herself before America.

"The real question we should ask ourselves is why so many people saw Tucker's humanity but refuse to see it in others," said David Dow, a University of Houston law professor who has represented more than 20 death row prisoners. "Because the truth is that almost all execution victims are like Tucker. Most come to regret that

they killed. Most have families who love them. Many find religion. Many are articulate. Some are even physically attractive."

But, Mr. Dow argued, Ms. Tucker had five characteristics that combined to make her a media sensation. "She was a woman, white, attractive, articulate and a Christian," he said. "A lot of people on death row have three of those characteristics; some have four. But very few have all five, and I simply don't see another case commanding this amount of attention."

The question of whether women should be executed as readily as men will arise again soon. On March 30, Florida is to execute Judi Buenoano, 54, convicted of poisoning her husband.

"The real question we should ask ourselves is why so many people saw Tucker's humanity but refuse to see it in others. Because the truth is that almost all execution victims are like Tucker."

band, drowning her handicapped son and plotting to blow up her boyfriend. Like Ms. Tucker, Ms. Buenoano says she is a born-again Christian.

And on April 20, Texas plans to execute 24-year-old Erica Sheppard, a mother of three, convicted of repeatedly stabbing a woman whose car she wanted to steal, then finishing the murder by bashing the victim with a 10-pound statue of a mother and child.

Ms. Sheppard has waived all appeals and asked to be executed.

For Governor George W. Bush, who turned down Ms. Tucker's 11th-hour plea for a reprieve, the Sheppard case added a troubling racial dynamic to the already difficult decision he faced with Ms. Tucker.

Had he supported clemency for her, he almost certainly would have faced criticism for sparing a white woman while the execution of Ms. Sheppard, who is black, proceeded.

Governor Bush, explaining his decision to deny a reprieve, acknowledged that many people had urged him to act on behalf of Ms. Tucker because of the powerful religious conversion she said she underwent in prison.

But, explained the governor, "I have concluded judgments about the heart and soul of an individual on death row are best left to a higher authority."

For all the debate that Ms. Tucker's case prompted about executing women, females make up less than 2 percent of the 3,365 on death rows around the nation. For opponents of the death penalty, a major issue is whether the sympathy she engendered is of any use to all the men on death row.

represent a client and the date the representation began, experts said.

It is not clear why Mr. Jordan, an attorney himself at the high-powered law firm Akin, Gump, Strauss, Hauer & Feld decided to refer Ms. Lewinsky to Mr. Carter. Mr. Carter and Mr. Jordan are friendly but not intimate, associates said.

A prominent Washington lawyer, Mr. Carter, 51, has been an important figure in the controversy since it broke Jan. 21, with the question being asked in courthouse lunchrooms and judge's chambers: Could he have conspired with Ms. Lewinsky to write a false affidavit?

"I'd be stunned" to hear Mr. Carter deliberately helped Ms. Lewinsky prepare a false affidavit, said one federal judge in Washington, who was named to the bench by a Republican president.

Justice Department officials agreed, with one calling Mr. Carter "a straight shooter" who would drop a client before lying for her.

Away From Politics

• Once the army's top enlisted man, former Sergeant Major Gene McKinney has pleaded not guilty to charges of sexual misconduct against six women at the opening of a court-martial. Mr. McKinney, 47, has accused the military of targeting him for prosecution because he is black. (WP)

• In a case of what one official called "rain rage," a man stabbed another in the eye with his umbrella after the two accidentally bumped into each other during a rainstorm, the Los Angeles police said. (LAT)

• A week after a nail-packed bomb exploded outside near the entry, the New Woman abortion clinic in Birmingham, Alabama, has reopened. An off-duty policeman was killed and a nurse was maimed in the blast. (AP)

• Thousands of people were without power after a powerful storm pounded the East Coast and surprised the Appalachians with more than a foot of snow. The storm hammered the coast from Georgia to New Jersey with heavy rain and high winds. (AP)

POLITICAL NOTES

Landing at Reagan Airport

WASHINGTON — With a tear in his eye, Ronald Reagan's son Michael stood at a lectern on Capitol Hill on Wednesday and asked, "Can you just win one more for the Gipper?"

Soon afterward, Congress did: Two days before Ronald Reagan's 87th birthday, both houses passed a bill to rename Washington National Airport in honor of the ailing former president.

The vote in the Senate, to change the name to Ronald Reagan Washington National Airport, was 76 to 22, with 22 Democrats voting in favor. The House vote was 240 to 186, with three Republican nays and 18 Democratic ayes.

President Bill Clinton is expected to sign the measure, clearing the way for new signs and recorded greetings welcoming 60 million travelers a year to the Ronald Reagan Airport. (NYT)

New Candidate in California

WASHINGTON — Representative Jane Harman, a moderate Democrat with enough cash to finance an exceptionally expensive campaign, has declared her candidacy for governor of California.

Clinton Friend Is Arraigned

WASHINGTON — A Democratic Party fund-

raiser, Yah Lin Trie, on Thursday pleaded not guilty to 15 charges arising from a federal investigation into financing of the 1996 presidential campaign.

Mr. Trie, an old friend of President Bill Clinton's who ran a Chinese restaurant in Little Rock, Arkansas, was arraigned before Judge Paul Friedman of U.S. District Court after surrendering to the FBI here on Tuesday. Trial was set for Oct. 7.

A grand jury last week brought 15 felony charges against Mr. Trie, a naturalized U.S. citizen born in Taiwan, accusing him of directing illegal foreign contributions to Democratic campaign committees.

Among the charges Mr. Trie faces are conspiring to commit wire fraud, money-laundering and obstruction of justice. Two of the counts carry a maximum penalty of 10 years and the other 13 carry a maximum of five years and a \$250,000 fine.

Mr. Trie left the United States in late 1996 and was thought to have taken refuge in Beijing before he returned to Washington. (Reuters)

Quote/Unquote

Representative J. D. Hayworth, Republican of Arizona, on what Americans want from their congressmen this year: "People are saying: 'Congress, just leave us alone!'" (LAT)

INTERNATIONAL

In U.S., Clamor to Crush Saddam Grows Louder

Politicians and Experts Call for More Drastic Policy

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Foreign leaders and diplomats may be urging restraint on the Clinton administration in the showdown with Iraq, but a growing chorus at home is calling for stronger measures than the air attacks currently being planned, with the objective of bringing down Saddam Hussein.

Prominent members of the foreign policy establishment and some leading members of Congress say they are convinced that air attacks aimed at coercing the Iraqis into cooperating with United Nations weapons inspectors would not succeed, and would result in too narrow a victory even if they did.

Instead, they argue, the United States should go beyond the objective of curtailing Iraqi weapons programs and adopt a far-reaching strategy aimed at replacing the Baghdad regime. Although they are far from consensus on what that strategy should be, a few openly advocate the possible use of U.S. ground forces—a much greater commitment than the options being pursued by the administration.

Many supporters of a more forceful strategy are conservative Republicans and longtime defense hard-liners, such as the Senate majority leader, Trent Lott, Republican of Mississippi, and a former Pentagon official, Richard Armitage. But they also include former Representative Stephen Solarz of New York, a liberal Democrat who with a former Pentagon official, Richard Perle, is circulating a letter in Congress and foreign policy circles seeking bipartisan support for a more ambitious policy.

In addition to a crushing bombing campaign or the possibility of ground troops, some advocates of tougher measures are suggesting seeking Iraq's expulsion from the United Nations, indicting Mr. Saddam as a war criminal, or blockading the port of Basra to halt illicit oil exports—an action that would infuriate Iraq, which shares the Strait of Arab waterway with Iraq.

Such moves, if made unilaterally, would almost certainly draw the ire of most of America's UN partners and frame the crisis even more starkly as a conflict between Washington and Baghdad.

But public opinion polls may indicate support for such a route. A Los Angeles Times

poll published Monday showed that by 68 percent to 24 percent, Americans favor air strikes provided they are designed to remove Mr. Saddam from power, not just force him to accept the commands of the UN Security Council.

Nongovernmental experts agree that the administration faces a quandary in Iraq, one which many said was inevitable after the U.S. decision to end the Gulf War without deposing Mr. Saddam. They share the administration's view that Iraqi defiance of UN weapons inspectors is unacceptable. But they say a campaign of aerial bombardment such as one the administration is considering is unlikely to end that defiance.

But many more are arguing that the administration should strike forcefully and then, whatever the outcome, devise a plan to bring down Mr. Saddam's regime.

The House speaker, Newt Gingrich, Republican of Georgia, said that the United States ought to adopt a position that either Mr. Saddam agrees to unlimited UN inspections or he will be replaced with a regime that will agree to end the current Iraqi weapons program.

John Bolton, an analyst at the American Enterprise Institute, said: "There is no way Saddam Hussein will fully accept the UN inspection regime. That means you either leave in place an ineffective inspection regime or you get in new government in Iraq that will accept them."

Mr. Bolton was one of 18 signers of a letter Jan. 26 to Mr. Clinton calling for "removing Saddam Hussein and his regime from power," which they said "will require a full complement of diplomatic, political and military efforts."

Among the other signers were R. James Woolsey, Mr. Clinton's first director of central intelligence; the conservative commentators William Kristol and William Bennett; Paula Dobriansky, head of the Washington office of the Council on Foreign Relations; the former defense secretary Donald Rumsfeld; and Robert Zoellick, who was a key foreign policy adviser to President George Bush.

But the administration has no intention of using ground troops in Iraq, officials said, and does not plan to make the ouster of Mr. Saddam a declared goal of its Iraq policy.

"Every day we didn't achieve it, he would trumpet as a victory," one official said.



Aboard the U.S. Navy carrier George Washington, E7 Chief Victor Jones looked on as fighter pilots returned from sorties over Iraq.

Allied Fleet Brings Big Stick to Crowded Gulf

By Douglas Jehl
New York Times Service

ABOARD THE U.S.S. NIMITZ — Already home to a powerful American and British armada, the waters and skies of the Gulf became even more crowded Thursday.

When the U.S. aircraft carrier Independence entered the Gulf, the total number of carriers here reached four for the first time since the United States and its allies went to war against Iraq seven years ago. The 80,000-ton Indepen-

dence, with 75 aircraft aboard and a battle group that includes a cruiser, a destroyer and a submarine, joined a U.S. fleet headed by the 90,000-ton nuclear-powered carrier Nimitz and George Washington already operating in the waterway.

The Nimitz, which has been patrolling for nearly four months, had been scheduled to head home a few weeks ago. But for now, its commanders say, the carrier and its crew of 5,500 will almost certainly stay put, to underscore the magnitude of the punishment the United States is prepared to inflict on Iraq if diplomacy cannot resolve the latest standoff with the United Nations.

"You need to make sure it is very clear that there is a military option behind all this," Rear Admiral John Nathman, commander of an American battle group in the Gulf that he described as "the big stick" behind this week's flurry of diplomacy.

A 30-year-old fighter pilot aboard the Nimitz delivered the message even more starkly. "I don't think you can find a more powerful tool to make a statement than to park an aircraft 20 miles off a guy's beach," said Lieutenant Charles Skoda.

By Thursday afternoon, the Gulf housed 19 ships — nine of them capable of firing Tomahawk cruise missiles — more than 150 warplanes, and more than 20,000 airmen and sailors from the United States alone, along with a British naval task force headed by the carrier Invincible.

The role of the four carriers in any attack will become particularly crucial if Saudi Arabia does not allow the United States to use the scores of warplanes based in the kingdom in any military operation against Iraq.

Amid sunny skies and glassy waters, there appeared to be no sense aboard the ship that any military action was imminent. But along with the increasing ferocity of U.S. pronouncements, the sheer size of the buildup — far larger than any since the Gulf War of 1991 — has instilled among some who were here then a sense of déjà vu.

"Everyone is hoping that if we do cross the beach, it ends the whole thing, because this has been going on for nearly seven years," said Commander J.R. Hatten, 37, an F-18 pilot who was an intelligence officer in the last conflict. His squadron was honing its skills this week by dropping mock bombs in neat

clusters in the wake of the massive ship.

The tension with Iraq has affected the Nimitz during its current deployment, which began when it left its home port of Bremerton, Washington, on Sept. 1. After stops in Japan and Hong Kong, the ship was sent to the Gulf in early October, when Iraqi aircraft began to flout the no-flight zone in southern Iraq, skipping a scheduled port call in Singapore.

The pilots and crew geared up for a possible clash in November, when the dispute between the United Nations and Iraq over access to suspected weapons sites first peaked. With tensions and military threats now at new heights, its scheduled return to Norfolk, Virginia — for replacement of its 23-year-old nuclear reactors — has been put off.

Not surprisingly, that has caused some impatience and frustration among airmen and sailors who have not seen their families since late summer — some have not yet seen babies born in their absence, 42 in all.

Lieutenant Janet Jacobson, 30, one of two female fighter pilots aboard the carrier, described the experience as having been "an emotional roller

coaster." Lieutenant Colonel David Peeler, 42, of the Marines, said with evident weariness: "We've been watching this situation for quite a while now, and we're ready for something to happen or go home."

The ship's commander, Captain Isaac Richardson 3d, said: "The crew is a little bit anxious. I guess being here four and a half months, everyone would like to know the schedule, but that's something that isn't possible."

Officers and commanders also acknowledged that the addition of yet another carrier to the three already plying the Gulf will require them to devote more care to making sure the planes do not fly into one another's path. They noted that the Gulf War had taught that such coordination was possible, and they emphasized the power that so large a force can bring to bear.

Each of the three U.S. carriers carries nearly 5 million pounds of munitions. And in contrast to the Gulf War, when Navy's F-18s carried general-purpose bombs, those aircraft have been outfitted with laser-guided bombs that commanders and pilots say will enable them to strike with considerably more precision.

Israel Signals It Would Strike Back

'Right of Self-Defense' Against an Iraqi Missile Attack Is Retained

By Lee Hockstader
Washington Post Service

JERUSALEM — Israel is giving signs that it will not again exercise the same restraint it did in the 1991 Gulf War, when the Israelis yielded to American pressure and held its fire in response to Iraqi Scud missile attacks.

The issue was raised late Wednesday by Defense Secretary William Cohen, who, speaking on CNN, strongly urged Israel not to retaliate against Baghdad even if Saddam Hussein answers fresh American air strikes by attacking the Israelis.

In response, the government said Thursday that "Israel retains its right to self-defense and will operate according to its security interests."

"This position has not changed," it said. The statement, issued by Prime Minister Benjamin Netanyahu's office, did not say it would take U.S. concerns into account.

Israel's reluctance to accede to the American request comes at an awkward time for Washington. The United States is trying to line up enough international support for a military strike punishing enough to force Iraq's compliance with the United Nations arms-inspection regime, if diplomacy fails to achieve the same goal.

Arab states have expressed lukewarm support for the American thrust against Iraq and would certainly not be heartened by the prospect of Israel joining in the fray.

In 1991, Israel was hit by 39 Iraqi missiles, which did serious damage to some residential neighborhoods but caused only a handful of deaths. The country refrained from launching a counterattack at the request of the United States, which feared the Jewish state's involvement would threaten the solid

backing of Arab states; which the administration of President George Bush had so assiduously courted.

This time, the thinking among many Israelis goes, there is no such solid Arab coalition to worry about. And many Israelis are pointing out that they were opposed to the decision not to retaliate in 1991. Among them is Moshe Arens, defense minister at the time, who said Israel was on the verge of retaliating against Iraq when Mr. Bush ended the war.

A leading government hard-liner, the housing and infrastructure minister, Ariel Sharon, said Thursday that Israel should conduct its own defense in the event of an Iraqi attack.

Hersh Goodman, editor of the Jerusalem Report, a respected biweekly, urged in the current issue of the magazine that Israel be included in all planning and decision-making leading to an attack on Iraq and be given a free hand to act independently.

"With all due respect to the American and European flotillas being sent to the Gulf, neither New York, Washington, London, Helsinki nor Stockholm is in imminent danger, like Tel Aviv, of being 'blown away,'" Mr. Goodman wrote.

Mr. Cohen, however, suggested that Washington was as determined to keep Israel on the sidelines as it was in 1991. Asked if Washington wanted Mr. Netanyahu "not to fight back" if Iraq strikes again, Mr. Cohen said on CNN, "Yes, the United States would prefer very strongly urge — the Israelis not to, even if attacked."

He added, "We believe that we have the capability of dealing with this matter, and we will be there to help protect Israel, Kuwait, Saudi Arabia — all those in the region."

The Israeli newspaper Ha'aretz reported this week that Mr. Netanyahu gave

Secretary of State Madeleine Albright the cold shoulder when she asked him Saturday not to respond if Baghdad attacked. But the Israeli government spokesman, David Bar-Ilan, said Thursday that he had personally checked with participants in the meeting Saturday in Jerusalem, who said Mrs. Albright had not raised the matter at all.

Government officials have assured Israelis that an Iraqi attack — let alone one using biological or chemical warheads — is highly unlikely. Nonetheless, people here have flocked to gas mask distribution centers for the past week.

EU-Israeli Talks to Focus on Aid to Palestinians

By Barry James
International Herald Tribune

BRUSSELS — When Jacques Santer, president of the European Commission, flies to Israel this week-end, he will arrive at Tel Aviv and not at the completed but never used Gaza airport, which has been almost entirely paid for by Europeans.

The Gaza airport, which requires only a turn of a key to become operational, sums up a dilemma for the 15-nation European Union, which has poured hundreds of millions of dollars into building up the economy of an embryonic Palestinian state only to find its efforts thwarted and nullified by Israeli security demands.

"We are aware of Israel's security needs," Mr. Santer said Thursday. "They must be assured. But all our efforts will be in vain unless we can

break the vicious cycle."

He said he would tell the Israeli government that the external aid for the Palestinian Authority can contribute to the peace process. The EU has contributed well over half the \$2.8 billion committed to the process between 1993 and 1997, and this aid is up for renewal this year. Meanwhile, the European Parliament is putting increasing pressure on the commission, the executive arm of the EU, to explain what the aid is accomplishing. The answer is, not much.

A total of \$1 billion worth of private investment in the Palestinian areas in 1992, the last year of the intifada, was more than four times the amount invested in 1996 after four years of the peace process. Meanwhile, unemployment has more than doubled to about 42 percent and per capita income has declined 35 percent.

Commission officials said private investors were steering clear because Israeli security measures, including border closures and severe restrictions on Palestinian laborers entering Israel for work, made it impossible for them to realize any profits. The officials said it was vitally necessary for the Palestinian Authority to trade perishable agricultural products and other goods directly with the outside world, but that this was impossible so long as the airport remained closed and building of a planned seaport for Gaza remained blocked at Israeli behest.

The European aid was intended to form the basis of a Palestinian economy. Instead, officials said, most of it today goes to paying the daily running costs of the Palestinian Authority, including the salaries of teachers, police officers, fire fighters and other public workers.

Mr. Santer's room for maneuver

was limited. He could threaten to cut off the aid, which may be what the Israelis want anyway, officials said, unless he can convince them that to do so would unleash another uprising. Alternatively, he could threaten to cancel the EU's bilateral association agreement with Israel, which, if the diamond trade between Tel Aviv and Antwerp is excepted, runs heavily in Israel's favor.

"It is a very delicate situation," he said. "We do not want to break down what we have already constructed with a lot of patience, but to find the means to complete the construction."

Mr. Santer said the EU wants a bigger role in the peace process. "We do not want to substitute for the Americans," he said, "but we have a complementary role to play and we want the investments that we and our allies have made to be taken more fully into account."

IRAQ: Saddam Won't Be Target of Military Attack, Clinton Vows

Continued from Page 1

contemplating a period of two to three weeks to educate the public about the extent of Iraq's arsenal and to exhaust diplomatic options. Those comments left the impression that the earliest period for U.S. military action against Iraq would be in the second half of February.

The Clinton administration has said that no decision on military action has been made. It also has refused to discuss a timetable, rejecting appeals by the International Olympic Committee that any such action be delayed until after the Winter Olympics, set to start Friday in Japan and end Feb. 22.

Without explicitly ruling out the possibility of targeting Mr. Saddam, Clinton made it clear Thursday that such an attack would violate U.S. policy, which states that political assassinations are out in U.S. foreign policy interests.

"Our interest is in preventing Saddam Hussein from building biological, chemical, nuclear weapons capability" along with "the missiles to deliver such weapons," he said. "That is our interest. That's where the authority from the United Nations resolutions rests."

He added: "Would the Iraqi people be better off if there were a change in leadership? I certainly think they would be. But that is not what the United Nations has authorized us to do. That is now what

our immediate interest is about."

U.S. defense officials said that Mr. Clinton had decided to send the 24th Marine Expeditionary Unit to the Gulf and that additional F-117A Stealth fighters and B-52 bombers might also be dispatched to the region, although final orders had not been received. "I expect the official order on the Marines to come within hours," an official said. "That decision has been made."

The Marines would join 24,400 U.S. military personnel already in the region, most at sea with two aircraft carrier battle groups that include 14 combat ships, 11 support vessels and 325 warplanes. The Invincible, a British aircraft carrier, is also in the region.

The British foreign secretary, Robin Cook, speaking Thursday in Kuwait, said Baghdad would be given every possible opportunity to find a peaceful end to a standoff and warned Mr. Saddam not to risk the consequences of military action.

In Baghdad, Mr. Saddam ordered the release Thursday of all Arab prisoners held in Iraq in a move that appeared aimed at winning Arab sympathy. The Iraqi press agency INA announced the move just hours after the president with the secretary-general of the Arab League, Esmat Abdel Meguid.

It was not immediately clear how many prisoners were involved.

Again, Yeltsin Warns of War

David Hoffman of The Washington Post reported from Moscow:

President Yeltsin, for the second day in a row, strongly warned the United States on Thursday against the use of force in Iraq, saying Russia "would not allow" a military strike and repeating that it could lead to "world war."

The Foreign Ministry added, however, that Russia would not "resort to extreme measures" in response to Mr. Clinton's order to bolster troop levels in the Gulf.

"We should not allow an armed strike, an American strike, whatever the circumstances," Mr. Yeltsin said to reporters on the eve of a planned visit to Italy and the Vatican. "I told Bill Clinton that we would not allow that."

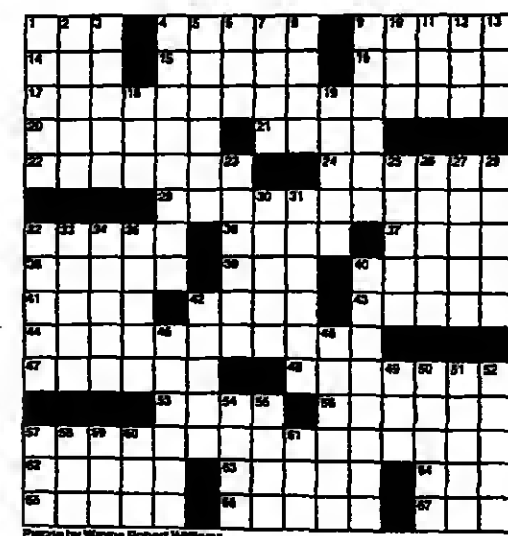
He added: "The most important thing is that we assumed a firm stand: no to the settlement through the use of force. It is impossible, it will mean a world war." Mr. Yeltsin used the "world war" formulation on Wednesday as well, and aides scrambled afterward to say that it was not a threat of military retaliation.

Russia has tried for months to broker a diplomatic resolution, but it has taken a higher profile in recent days with Mr. Yeltsin's blunt warnings against a military strike, a marked contrast to the earlier initiatives that skirted any collision with the United States.

CROSSWORD

- ACROSS**
- Kind of wheel
 - Bucky Beaver's brand, in old ads
 - Toot
 - Bring into play
 - Film director
 - Apostles' adoption
 - With 25-Across, a tongue twister, in brief
 - Eve Arden's real first name
 - "Heartbreak House" writer
 - Pain-in-the-neck producer
 - Some kind of a nut
 - See 17-Across
 - Practice piece
 - Wine: Prefix
 - Duty
 - "From Here to Eternity" novelist
 - Wacko
 - Lacking the knack
 - One of the Walkers
 - Emulate
 - 22-Across
 - Terminator
 - A.F.C. player, in brief

- DOWN**
- Idea to pursue
 - Tennis highlights
 - Senate attire
 - Sort of sausage
 - Words after "brotherhood," in brief
 - Family aspiration
 - Overcharged
 - Comic scream
 - Biblical woman from Bethlehem
 - Suspend
 - Literary units
 - Thought
 - Sargon II's god
 - David of Thelma & Louise
 - Contents of some buckets
 - Without much color
 - Part of NATO: Abbr.
 - Nitti's nemesis
 - Winter Sholem
 - Low-stress types
 - Historic starter
 - Fam. member
 - Aquatic shocker
 - Playboy types, for short
 - Error indicator
 - Anarchist
 - Kind of number
 - Escalated
 - Fine-tunes
 - Break out
 - Novelist Nathanael and family
 - Scrubland
 - Win over
 - Bounce
 - Genealogy
 - Geotermology
 - Labor leader's cry
 - Bad impressions?
 - Vague notions
 - Inebriate
 - Brittle-shelled Chinese fruit
 - Trying to get attention
 - Floral ring
 - Spiritual
 - Address Georgia
 - Potatoes' places
 - More than "turnout"
 - Celluloid barrier
 - Summer cooler
 - Idiot
 - Western native
 - Turn-of-the-century year
 - Fifth-century warrior



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Solution to Puzzle of Feb. 5

ALLIE GRIFFIN NOSH
SAINT ROAM EDE
THE TARESTRANGERS
ORNE RISEL COASES
BOARDS CUTS
SLANGY JUNEBUG
ALGER SPUR ASA
MANTLE TEREDEPATHY
LME OATY ETHEL
SAWDOUST WATERY
ONE SMILE
SOFAS ENIT MAID
THE DAGGERS OPERA
ANIL GOLF STRAW
GONE GOLD USING

ASIA/PACIFIC

Seoul Backpedals on Nuclear Pact

Funds Are Lacking for Reactors for the North, U.S. Is Told

By David E. Sanger
New York Times Service

WASHINGTON — South Korean officials have told members of President Bill Clinton's administration that Seoul's financial crisis has left it unable to pay its promised share for the construction of nuclear power plants in North Korea, the key element of the deal that halted the North's nuclear weapons program three years ago.

South Korea was expected to ask the United States and Japan, in a meeting on the nuclear accord in New York on Thursday, to provide more for the early stages of the project. The U.S. Congress, however, has refused to fund directly the reactor construction.

American officials are concerned that any signal from Seoul that it is slowing the \$5 billion civilian nuclear project could embolden North

Korea to break its commitment to halt its nuclear weapons program.

The South's effort to delay its payment is the most conspicuous example yet of how the Asian financial crisis is spilling over into American foreign-policy problems in the region.

The incoming South Korean president, Kim Dae Jung, has repeatedly said that Seoul is committed to carrying out the 1994 accord. But devoting tens of millions of dollars to the early stages of the project when the government is in the midst of an austerity campaign and workers are facing mass layoffs has become what one senior South Korean official called "a very delicate political problem."

After lengthy delays, the project is just getting under way. North Korean workers, in conjunction with engineers

from the South, are clearing the site for the two nuclear plants.

Last week, the Nuclear Regulatory Commission in Washington published an unusual notice in the Federal Register: a request from Combustion Engineering, a nuclear equipment producer, for a license to export two reactors, for "commercial operation of electricity," to North Korea. Ordinarily, exports of virtually any sensitive goods to the Communist country are barred.

The notice was something of a diplomatic gaffe, officials acknowledged. The 1994 accord calls for the reactors to be of "Korean style" to calm South Korean objections that Seoul was paying for reactors made by American companies.

American officials familiar with the sensitive negotiations over the nuclear deal said Wednesday that they suspected Seoul may be using the financial crisis to test Washington and Tokyo's willingness to pay for a bigger part of the North Korean project.

The South wants the Americans to commit money to building the light-water reactor, something Congress has refused to do, though the United States has spent about \$100 million sending fuel oil

to North Korea to supplement its energy supplies.

"We have made it clear that we do not think Congress is prepared to fund the light-water reactor for the North under any conditions," a senior U.S. official said, speaking on condition of anonymity.

It is not clear how North Korea will respond to South Korea's talk about the financing.

"The reactors are the quid pro quo for freezing the nuclear program," said Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control. "If the reactors don't go forward, we will confront at some point North Korean reluctance to do their part of the deal."

The 1994 accord defused a diplomatic confrontation with North Korea that came close to triggering hostilities along the Demilitarized Zone between the two Koreas, according to two recent studies.

South Korea and Japan have been haggling over how to divide the cost of the reactors. Japan has discussed an investment of more than \$1 billion.

The meeting Thursday was scheduled to try to resolve that dispute. But one American official said it was now clear that "the financial crisis is going to keep us from solving this problem this year."



Police and army officers blocking protesters in Jakarta during a mock riot on Thursday outside Parliament.

Indonesia Force Hones Anti-Riot Skills

The Associated Press

JAKARTA — Determined to head off potential protests, Indonesian police and army forces staged dramatic exercises Thursday to show how they would react if violence breaks out before a presidential election next month.

Hundreds of armed troops and dozens of military vehicles were deployed outside Parliament, around the tower-like National Monument near the presidential palace, and at a disused airport.

Anti-terrorist commandos dropped down on ropes from helicopters as yellow and pink smoke grenades exploded be-

low. About 5,000 police officers, many equipped with anti-riot gear, patrolled city streets in a show of strength.

Many fear that social unrest might disrupt the election in early March. Unemployment has soared to more than 8 million, including 1.5 million who have lost their jobs since the economic crisis began, the government said Thursday.

Some parts of Java and neighboring Sulawesi Island have been rocked by sporadic violence over rising food and fuel prices.

Austerity measures enacted by the government under an International

Monetary Fund economic rescue plan are adding to the nation's discontent.

Edward Ariunang, spokesman for the Jakarta police, said Thursday that the maneuvers showed how security personnel would secure the Parliament during a "mass riot." They also practiced how to stop protesters from crossing provincial borders, he said.

In elections next month, the 1,000-member People's Consultative Assembly is almost certain to elect President Suharto to a seventh five-year term. Mr. Suharto, 76, has governed Indonesia for 32 years.

China's Spin on U.S.

Book on Jiang Visit to Washington Puts 'Partnership' in Positive Light

Rone Tempest
Los Angeles Times

BEIJING — Soon to be found on bookshelves across China: The Bill Clinton-Jiang Zemin story.

Although not as titillating as some of the sagas circulating in Washington, this 237-page glossy paperback with smiling Presidents Clinton and Jiang on the cover is still something of a political milestone. For one thing, few other government-authorized books in recent memory have offered such a positive spin on the United States.

Besides eight pages of color photographs from Mr. Jiang's official visit to the United States from Oct. 26 to Nov. 3, the book, "Building a Constructive China-U.S. Strategic Partnership," includes two short speeches that were delivered by Mr. Clinton during the summit meeting.

Mr. Jiang's speeches during the meeting are also reproduced in English and Chinese.

Described in a promotional poster as "indispensable for party and government organs, social groups, foreign affairs organizations, education and research institutions," the book was unveiled Wednesday at a Foreign Ministry news conference.

Guo Chongli, chief editor of the state-owned World Affairs Press publishing house, said the book will be formally presented at the annual national book fair that begins Friday in the Chinese capital.

Mr. Guo said the book, with an initial press run of 11,000 copies, will be widely promoted across China and sold for 18 yuan (\$2.17) in the national Xinhua bookstores.

At least as important as the text — mostly fairly tame political speeches by the two leaders and fawning editorials from the People's Daily and other publications — is the presentation.

The cover photograph of Mr. Jiang and Mr. Clinton is framed by a border of linked Chinese and American flags. The promotional poster shows more photos of Mr. Jiang smiling and laughing with American leaders including Mr. Clinton, Vice President Al Gore, Secretary of State Madeleine Albright, the House speaker, Newt Gingrich, Republican of Georgia, and others.

The book contains references to bilateral problems, including "major differences on the question of human rights." But it makes no mention of the Oct. 29 White House news conference in which Mr. Clinton and Mr. Jiang, who is also chief of China's Communist Party, engaged in a brief, pointed debate over the Tiananmen Square crackdown in 1989.

BRIEFLY

Leftists Claim Attack at Narita

TOKYO — A radical leftist group took responsibility Thursday for a rocket attack at Tokyo's main international airport and mocked security measures for the Winter Olympics in Nagano.

In the attack Monday at the Narita airport, three rockets were fired into a cargo plane area, injuring an airport worker. Two of the projectiles exploded.

The Revolutionary Workers Association sent letters to news organizations claiming responsibility, a spokesman for the National Police Agency said. In the letter, the group said it was opposed to the construction of a second runway at the airport. It also criticized the U.S.-Japanese military alliance. (AP)

Grim Hunt on Philippine Ridge

CLAVERIA, Philippines — Working in a thick fog, rescuers found the first bodies Thursday from a DC-9 airliner that crashed on a Philippine mountain ridge with 99 passengers aboard. The remains of 11 people were found.

Government officials grounded all seven remaining planes operated by the airline, Cebu Pacific Air, until the cause of the crash is determined. All are DC-9s. (AP)

Gandhi Draws 150,000 to Rally

CALCUTTA — The widow of former Prime Minister Rajiv Gandhi attracted a crowd of 150,000 here Thursday as she continued her campaign to rally support for the once-dominant Congress (I) Party.

The flag-waving crowd, the largest to attend one of Sonia Gandhi's rallies, waited for four hours after her arrival was delayed.

The Italian-born Mrs. Gandhi hopes to bolster the party ahead of general elections from Feb. 16 to March 7. "Only the Congress can build a new India," she said, calling the party a protector of national ideals. (AFP)

Pakistan Vows to Aid Kashmir

ISLAMABAD, Pakistan — Pakistan vowed to stand by the people of Kashmir on Thursday, and business and government activity halted in major cities on a day set aside to show solidarity with those fighting Indian rule in the Himalayan state.

President Mohammed Rafiq Tarar urged India to let Kashmir decide its destiny. "It is our national duty and obligation to extend all possible political, diplomatic and moral support to our Kashmiri brethren in their darkest hour of trial," he said.

Pakistan holds the northern third of Kashmir, and India administers the rest, where a separatist campaign since 1989 has claimed more than 20,000 lives. (AFP)

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6-02-98

EUROPE

Italy and U.S. Dispute Path of Plane That Caused 20 Ski Lift Deaths

Compiled by Our Staff From Dispatches

CAVALESE, Italy — Italy said Thursday that a U.S. warplane had strayed off course before snapping a cable car's overhead wires, sending 20 people hurtling to their deaths, but an American officer insisted that the plane had kept to its designated flight path.

As an angry nation, meanwhile, demanded an accounting, U.S. officials promised to cooperate fully with the Italian investigation of the affair. The Italian defense minister, Beniamino Andreatta, told a parliamentary committee that the U.S. Marine EA-6B Prowler surveillance plane had flown far off course and must have dipped under the cable car wires in the Dolomite mountains on Tuesday.

"The only explanation for the impact on the plane's tail is that the craft hit the cable lines as it was flying back up from below the lines," he told a parliamentary defense committee hearing in Rome.

He said the plane was 10 kilometers off its set

route and should not have been flying lower than 2,000 feet (600 meters).

"There would not have been any danger had the aircraft kept to the regulations," he said.

Media reports said the plane was flying at around 100 meters — about the height of the cables — when it caused the disaster Tuesday.

At the U.S. air base in Aviano, northeast Italy, Brigadier General Guy Vanderlinden said the pilot of the plane had been authorized to fly on a low-level mission and had not strayed from its scheduled path.

"The preliminary information we have indicates he was over the route," General Vanderlinden said. "The pilot was authorized to fly on a low-level mission."

The Marine Corps sent a seven-man investigating team to Italy to investigate.

"I think the altitude of the aircraft is the central issue to be discovered by the investigating team," he added. "I don't have the information that Minister Andreatta has."

In Washington, however, Defense Department officials said Wednesday that the plane appeared to have been flying far below the minimum authorized altitude for training missions.

While they said it was too early to blame the Marine Corps pilot or the plane's navigational equipment, the officials said they "cannot dispute" the view of the Italian prime minister that "tragic recklessness" was responsible for the accident.

The jet, which carried a pilot and three other crew members, returned safely to the NATO air base in Aviano, in northern Italy, despite damage to its tail and one wing.

A U.S. official said Thursday that the pilot of the jet was on his first flight over the Cavalesse region of Italy.

The pilot, identified as Captain R.J. Ashby, 30, from Mission Viejo, California, had 750 hours of flying experience including flights over Bosnia, a spokesman at Aviano said.

A statement from the base identified the three

other crew members as Captains P. Schweitzer, 30, from Westbury, New York, W.L. Raney, 26, from Englewood, Colorado, and P. Seagraves, 28, from Ninesville, Indiana.

On Thursday, the four crew members were still at Aviano base and will not be allowed to fly until the U.S. military inquiry has completed its work.

The main mission of the two-engine EA-6B jets is to identify the type and location of enemy radar and either jam their signal or attack them with high-speed anti-radiation missiles. Pilots do low-level training because in wartime they must sometimes fly as low as 100 feet to avoid detection by radar.

Residents of this small ski village in the Italian Dolomites, who say the roar of jets often jolted them awake at night, mourned the dead at a memorial service.

Among the 1,000 people attending the service: 100 meters from the cable car station was General Richard Betherum, commander of NATO air

operations in southern Europe, expressing American condolences.

"There's an ongoing investigation, a cooperation of Italian and U.S. authorities," he said. "It's our wish that this investigation comes to a quick ending, so that the healing process can begin."

Families of the victims poured into the stunned valley town. The mood in the ski town matched the chill conditions as relatives from Germany and Poland clasped each other for support. Red roses on the blood-stained snow amid the flattened wreckage of the yellow cabin.

Investigators will be trying to determine how the pilot failed, despite good weather, to see cable lines clearly marked on maps. Unconfirmed reports have quoted residents as saying military pilots often like to fly under the cables as a stunt.

Prosecutors questioned the plane's crew on Wednesday, but the four servicemen refused to answer questions. (Reuters, AP, AFP, NYT)

BRIEFLY

Yeltsin Vows to Keep Reformers

MOSCOW — President Boris Yeltsin pledged Thursday to keep Anatoli Chubais and Boris Nemtsov in work until 2000, a move intended to move them out of the political doghouse and shore up confidence in Russia's reforms.

Mr. Yeltsin said people had attempted to unseat Mr. Chubais and Mr. Nemtsov from their posts as first deputy prime ministers to Prime Minister Viktor Chernomyrdin. "Undoubtedly, they have not made any attempt to rock the boat," he said of the two ministers. "But others have."

Mr. Yeltsin appeared to be referring to pressure from some Russian business interests to remove the pair from the government. "I will stand my ground," Mr. Yeltsin said. "I am telling you, both will continue working until the year 2000."

Mr. Nemtsov and Mr. Chubais are respected in Western financial markets for their expertise.

In another development, the lower House of Parliament, the State Duma, approved the government's 1998 draft budget on its third reading. Deputies in the opposition-dominated chamber approved the draft budget by a vote of 232 to 141, with one abstention. The fourth and final reading, usually a formality, is scheduled for Feb. 18.

(Reuters)

Belarus Recalls Envoy to Poland

MINSK, Belarus — Belarus recalled its ambassador to Poland on Thursday, accusing Warsaw of meddling in its internal affairs by supporting opposition politicians.

"We recalled our ambassador for consultations and have been holding talks on the forthcoming visit of Polish Foreign Minister Bronislaw Geremek," Foreign Minister Ivan Antonovich said at a news conference. He said Mr. Geremek's visit, scheduled for the end of February, should be postponed until Minsk and Warsaw improved their relations.

Mr. Antonovich said the recall of the ambassador, Viktor Bursky, had been linked to a recent meeting of Belarusian opposition politicians in the eastern Polish town of Bialystok and to tougher border restrictions imposed by Poland on Belarusian citizens since Jan. 1.

(Reuters)

Bonn Backs Holocaust Memorial

BONN — The government said Thursday it would not abandon plans for a Holocaust memorial in Berlin despite an appeal to Chancellor Helmut Kohl from 19 prominent writers to reconsider the project.

Germany's best known living writer, Gunter Grass, was among the signatories of the open letter sent Wednesday. It was addressed to Mr. Kohl as well as the parliamentary speaker Rita Suessmuth, Berlin city authorities and the private group that initiated the project.

A government spokesman said none of those parties had changed their position. "They have all agreed firstly that there will be a memorial to the Jews murdered in the Holocaust," he said. "Secondly, it will be on a plot of land set aside for this, and thirdly, the decision on the form of the memorial will be one of the four blueprints which we have before us." The letter argued that none of the four options was suitable for such a memorial.

(Reuters)

Oh, Pooh: A Tempest in Winnie's Honey Pot

Compiled by Our Staff From Dispatches

NEW YORK — The honey pot got stirred up Thursday — all because a British lawmaker wants five original Winnie-the-Pooh stuffed animals returned to Britain.

The situation of Pooh and friends won front-page coverage in The New York Times. The editorial page of The Times of London featured the "Pooh Five" comparing New York and London. The British culture minister, Chris Smith, promised to consider the case.

"The special relationship between Britain and the United States was on a knife edge as a diplomatic squabble broke out over the future of five threadbare animals," The Financial Times reported.

As Prime Minister Tony Blair of Britain met President Bill Clinton during an official visit to Washington, a Labour member of Parliament, Gwyneth Dunwoody, started a campaign in the House of Commons to repatriate the "Pooh Five."

The animals are Pooh himself, Tigger, Kanga, Eeyore and Piglet, five of the original toys on which A.A. Milne based his famous stories. (Roo, apparently, was lost by Mr. Milne's son, Christopher Robin, in an English field long ago.)

The five stuffed animals have spent the last 11 years in a glass case at a Manhattan branch of the New York Public Library, and the library was bombarded with telephone calls after Mrs. Dunwoody's repatriation campaign began.

The toys were donated to the library by E.P. Dutton, publisher of the original Winnie-the-Pooh book in the United States in 1926. Mrs. Dunwoody com-



The toys that inspired the Pooh books: Clockwise from left, Kanga, Winnie-the-Pooh, Eeyore, Piglet and Tigger on display at a New York City library.

plained about the toys in a formal House of Commons question to Mr. Smith. "They are part of our heritage and they want to come home," she said. "They look very unhappy indeed. I am not surprised considering they have been incarcerated in a glass case in a foreign country."

But a New York library spokeswoman, Nancy Donner, rebutted any accusations of animal cruelty to the "Five" in their climate-controlled glass case. "By all reports, the Pooh Five haven't been this comfortable since their days in the Hundred Acre Wood," she said.

New York's mayor, Rudolph Giuliani, also took up the case. Saying "we're not a colony anymore," he put a visit to Winnie-the-Pooh on Thursday.

"The mayor is going there today to assure Winnie and friends that they're safe on American soil," said a mayor spokeswoman, Colleen Roche.

Mr. Giuliani promised to do everything possible to keep the toys. "They've been very happy here," the mayor said, adding a historical barb: "We were freed a long time ago."

New York's governor, George Pataki, also rallied to the cause, saying, "There's no better place in the world for this kind of exhibit."

Mr. Blair, meanwhile, denied knowing much about the proposal to bring Winnie home and said on the ABC program "Good Morning America" that the issue would be "down the agenda" in his talks Thursday in Washington. "I'm sure they're perfectly well-

looked after where they are," Mr. Blair said.

The toys animals took the unusual step of talking to the editorial page of The Times of London.

Piglet wasn't so sure about repatriation, telling the paper: "Back in England we were just little animals entirely surrounded by nannies and middle-class attitudes. In New York we have grown up."

Tigger was equally dubious. "New York is more fun for bouncing," he wrote.

In any case, Piglet and Tigger probably won't have to worry about a trans-Atlantic move anytime soon. Asked what he planned to do about Mrs. Dunwoody's plea, Mr. Smith said, "I must confess it is not something I have given detailed consideration to at this stage." (AP, Reuters, NYT)

Clinton Gives Blair A Special Welcome

British Leader Praises President

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton laid out a big welcome mat Thursday for Prime Minister Tony Blair of Britain, an ally who supports him in his personal travails and his efforts to stop Iraq's weapons development.

Welcomed by Mr. Clinton as a close ally, Mr. Blair pledged to stand united against Iraq and warned President Saddam Hussein that "the threat of force is there, and it is real."

Mr. Clinton greeted Mr. Blair with a firm handshake and said, "We can always depend upon each other."

Earlier, making the rounds of television morning talk shows, Mr. Blair embarked on a key goal of his visit: lining up public support for a military attack on Iraq if diplomacy fails. He reeled off statistics of the Iraqi president's arsenal of chemical and biological weapons.

Regarding his other big aim in Washington, to stand by Mr. Clinton through his personal troubles, Mr. Blair sidestepped a question linking moral rectitude and political leadership. He said all that matters was Mr. Clinton's political skill.

"You've just got to have some sense of balance and perspective about the issues that really matter to people," Mr. Blair said. "You have a president who is doing a superb job, who has huge respect and standing on the international stage."

He added, "To me, that is what counts."

Mr. Blair came to the Washington talks with as much leverage as any previous British leader, partly because his government is the only U.S. ally to commit its aircraft and ships to a possible strike against Iraq.

There was an air of chumminess between the two leaders, who consider themselves soulmates on politics and policy. "Ours is the politics of the radical center," Mr. Blair said.

In an informal touch, the two men, wearing nearly identical blue suits, took questions from reporters in the Oval Office as they stood next to each other sipping from large coffee mugs.

During this session, Mr. Clinton was forced to deny again allegations that he had a sexual affair with a former White House intern and urged her to lie about it.

Mr. Blair, mindful of the troubles facing Mr. Clinton, went out of his way to praise the U.S. leader in his arrival remarks. "He said what he wanted to deliver for the American people and he is delivering," Mr. Blair said. "He never said it would be easy but he stuck to his guns. He never promised miracles but he has delivered progress, real progress, for the people who elected him."

The two leaders also said they would discuss efforts to reach peace in Northern Ireland, where a recent wave of sectarian killings has threatened multiparty peace talks.

Mr. Clinton and Mr. Blair addressed each other as leaders of a new generation of politicians hewing neither to the left nor the right. "On so many issues, we think alike," the prime minister said.

"We are in politics for the same thing, because we want to modernize our countries for the new millennium," Mr. Blair said. "Ours is the politics of the radical center."

Mr. Clinton said both nations "have moved to build a government for the 21st century, going beyond the dogma of the past."

They also are united in the Iraq crisis, virtually alone among major powers in warning Iraq of military strikes if diplomatic efforts fail to force Iraq to permit unhindered inspection of all sites suspected to be involved with weapons of mass destruction.

"We have stood together before in the face of tyranny," Mr. Blair said. "Today, in the face of the threat from Saddam Hussein, we must stand together once more. We want a diplomatic solution to the crisis, but the success or failure of diplomacy rests on Saddam. If he fails to respond, then he knows that the threat of force is there, and it is real."

Mr. Clinton said, "We will stand against those who defy the will of the international community, bringing terrorists to justice, in the case of Pan Am 103; maintaining stability in the Persian Gulf, where the British aircraft carrier Invincible is patrolling the waters alongside our U.S. fleet — something our men and women in uniform find great strength in. Mr. Prime Minister." (AP, Reuters)

Too Late, China Clears Flight by Balloonists

Compiled by Our Staff From Dispatches

GENEVA — China belatedly gave three European balloonists permission to cross its airspace Thursday, but the team's control center said the clearance had come too late to save their round-the-world dreams.

The Breitling Orbiter 2 was flying northwest of Calcutta on Thursday, its speed having slowed to 11 kilometers an hour (7 miles an hour) in light winds.

The balloonists — Bertrand Piccard of Switzerland, Wim Verstegen of Belgium and Andy Elson of Britain — now have no chance of picking up the jet-

stream winds needed to speed them over the Pacific on their way to becoming the first circumnavigating balloonists.

They are now expected to fly over the Bay of Bengal and on to Burma, a spokeswoman for the control center said. The balloon was expected to land Friday either in the Burmese capital, Rangoon, or in Pegu, one of Burma's ancient capitals, 65 kilometers (40 miles) northeast of Rangoon.

The flight director of the mission, Alan Noble, said Chinese officials had dropped their objections to the flight after intervention by the Swiss president,

Flavio Cotti. Beijing had argued that the balloon posed a threat to other aircraft.

"It came as a bit of a shock to be told we had permission when it was no use to us," Mr. Noble said.

But he added: "I'm certain the decision of the Chinese authorities, although too late for us, will be good for other balloonists."

Beijing's decision paved the way for a competitor, the British entrepreneur Richard Branson, and others to make new attempts to circle the globe. Mr. Noble said his team would make another attempt next year. (AP, Reuters)

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EDITORIALS/OPINION

Herald Tribune

Money for the IMF

The roster of lobbyists marching up to Capitol Hill to make the case for giving the IMF an infusion of \$18 billion says something about the importance of the Clinton administration's proposal. The principal salesmen are Treasury Secretary Robert Rubin and Alan Greenspan, chairman of the Federal Reserve.

The Clinton administration argues, correctly, that the IMF, for all its flaws, remains the only institution that can snuff out financial crises abroad before they erupt into local economies and before they reverberate around the globe, striking even the United States. Without new money from Washington, the Fund's other members are unlikely to contribute, the reserves that it needs to bail out countries in financial distress.

After the administration's humiliating failure to gain approval of "a track" trade legislation last year, the IMF vote takes on a larger political importance. America's partners wonder whether its commitment to the global economic order is waning. A second congressional rebuke would send an alarming signal abroad that the United States is in further retreat.

That is why the administration's new sense of urgency is welcome, as is the decision by a pivotal Republican leader, Jim Leach, chairman of the House Banking Committee, to advance the cause. The \$18 billion would not subtract money from other federal programs because it is treated like a bank deposit.

Mr. Leach's novel contribution to the debate is his proposal to impose conditions on the IMF designed to improve its mixed record. The bill calls for less secrecy in Fund operations. Mr. Leach, for instance, wants it to make its bailout agreements public. He would also subject its policy-making to review by independent experts.

The idea is to expose policy mistakes

before they do damage. In Indonesia, the IMF, even by its own admission, cracked down too hard on banks, driving the economy into a needless tailspin. Had the policy been subjected to outside review and correction, millions of Indonesians living on the margin of subsistence could have been spared the loss of their jobs.

Critics also accuse the IMF of protecting bankers better than workers or the environment. The Leach bill presses the Fund to take account of worker rights and environmental conditions without imposing rigid remedies.

In the process of bailing out South Korea and other collapsed Asian economies, the Fund has been forced to rescue foreign investors who made bad loans. It could not do otherwise. A country whose currency is under siege needs to attract foreign capital to keep factories and other businesses afloat. If the country defaults on its foreign loans, foreign investors will flee.

But a bailout that holds some foreign investors harmless suggests that they can make imprudent loans with impunity. Mr. Leach properly wants the IMF to devise ways to make foreign investors bear at least some loss before it comes to their rescue.

The Fund's critics need to be reminded of its successes. It has kept the financial crisis in Asia from spreading to Russia, Brazil and the United States. It has pressured South Korea and Indonesia to bring their politics out of their commercial banking transactions. It has demanded pledges by each of the countries to adopt Western standards of accounting that will tell investors the true financial state of their banks and businesses.

To deny the IMF additional money now is to invite economic calamity and to undermine the vital interests of the United States.

—THE NEW YORK TIMES.

Execution in Texas

Karla Faye Tucker was executed by lethal injection Tuesday evening in Texas, the first woman put to death by that state since the Civil War. Ms. Tucker's death followed a 16-to-0 vote by the state's Board of Pardons and Paroles against commuting her sentence, and decisions by both the Supreme Court and Governor George W. Bush not to intervene. The execution ends a public clamor for clemency for Ms. Tucker, once stoked by high-profile support from Pat Robertson and Pope John Paul II.

Ms. Tucker was, in many ways, an odd choice for the international celebrity she managed to attain. She was an admitted pickax murderer and former teenage prostitute, who once boasted that she had experienced sexual pleasure when she brought the pickax down on her victims. Yet she became the object of much solicitude, including from some who generally favor the death penalty, because of her sincere religious conversion and her good works during her more than 14 years in prison.

We also would have liked to see Ms. Tucker granted clemency, both because we oppose the death penalty itself and because she appears to have been a genuine penitent who had clearly changed dramatically since her conviction. At the same time, Ms. Tucker is far from the only person to have reformed while on death row, and the death penalty, by its very nature, is not particularly concerned with rehabilitation after sentencing.

In some measure, the reason such an unusual number of people entertained the idea of commuting Ms. Tucker's death sentence was that she did not fit their stereotype of the death row murderer, and many death penalty supporters are squeamish about executing

women. Her case was wrenching for many people not because the death penalty had been unfairly or wrongly applied but because it had been applied to the wrong sort of person.

Unfortunately, it does not seem to bother people all that much when the death penalty is unfairly or wrongly applied in other circumstances.

It is worth remembering, for example, the 1992 execution of Roger Keith Coleman in Virginia. Mr. Coleman was put to death despite some very significant evidence of his innocence, evidence that was never reviewed by the federal courts. His lawyers had missed a state court appeals deadline by a few days, so the Supreme Court, in deference to the procedures of state justice systems, never dealt with the question of whether he might actually have been innocent. Justice Sandra Day O'Connor's decision begins: "This is a case about federalism."

It is also worth remembering the execution that same year of Ricky Ray Rector in Arkansas. Then-Governor Bill Clinton took time out of his 1992 presidential campaign to supervise the killing of Mr. Rector, who had shot himself in the head after killing a cop and whose brain was so badly damaged that he did not understand what was happening to him when he was finally put to death. Mr. Rector actually saved the slice of pie that came with his last meal so he would be able to eat it later.

However sympathetic a figure Ms. Tucker had become, her execution does not highlight any of the outrages of the death penalty system. It represents, rather, the system working exactly as it has been designed to work—smoothly and unencumbered by sentimentality or mercy.

—THE WASHINGTON POST.

Other Comment

Saddam Has to Be Stopped

[Saddam Hussein] offers a menace that has to be stopped.

His possession of chemical and biological weapons, both difficult to use directionally for military purposes, is probably not a menace even to regional peace in the short term.

The Iraqi's determination to make himself the master of a nuclear arsenal, in which he will succeed in the long term if he is treated with weakness, makes him the most dangerous state leader in the world at the moment.

President Clinton is doing the right thing in bringing him under the threat of air attack. If the Iraqi electricity system goes down as a first step, so be it.

—John Keegan, commenting in The Daily Telegraph (London).

If the United States goes ahead in attacking Iraq, it [will] discover that Iraq will come to haunt future American policies in a manner not dissimilar to the spell that Vietnam has exercised for decades.

—S. Nihal Singh, commenting in the Khaleej Times (Dubai).

Resigned to an Inconclusive Whack at Saddam

By Richard Cohen

WASHINGTON — At one of the closed Capitol Hill briefings given by the Clinton administration over the Iraq crisis, a member of Congress likened Saddam Hussein to the Energizer Bunny, the one that keeps on going. No, said the administration's briefer, the Iraqi dictator was more like the toy mole in the "Whack a Mole" game. It comes up one hole, you bop it on the head and it comes up another.

For the United States and its remaining Gulf War allies, the anticipated military action against Iraq has a resigned, world-weary quality to it. Not only is it anticipated that Saddam will survive, but he is expected in due course to return to his old behavior. This mole never gives up.

The hope (it may in fact be closer to a dream) is that critical elements of Iraqi society will blame Saddam for their misery. That is why the bombardment being contemplated may not turn out to be brief but of prolonged duration, maybe a couple of weeks or so.

The aim is to so hurt the Iraqi military, especially Saddam's Republican Guard, that they will either demand that

he abide by the agreement he made with the United Nations or (dream on) dispatch him to an emeritus status.

The chances of that happening are only slightly better than the chance of catching Saddam out in the open and paring his hair with a very smart bomb. But the Clinton administration figures it has no choice but to proceed anyway, knowing that victory, in the old sense of capitulation, is unattainable.

It is even far from certain that when the bombing ceases, the UN inspectors will once again be granted access to whatever area intrigues them.

The scenario is simultaneously unsatisfying and inevitable. The only way to ensure Saddam's removal would be to send in ground troops. (About 100,000 would be needed.) But Saudi Arabia, the launching pad for the 1991 allied invasion of Kuwait and Iraq, is unavailable this time around. So not only will there be no massive invasion, no American ground troops at all will be used.

Another, if unspoken, option is to do

nothing. That, though, would mean allowing Saddam to continue his weapons program and, in short order, intimidate much of the Middle East.

Moreover, it would spell the end of the United Nations as an effective international organization. Up to now, it really has accomplished much in Iraq, destroying more weaponry through inspections than the allies did from the air in the Gulf War. (The United Nations, in fact, has been so effective that Congress ought to consider paying the United States' dues.)

In one sense, Saddam represents a no-brainer. The man is so vile, so evil, so patently irrational that letting him get his way is simply not an option.

Still, military action is a perilous course. It will produce what is called collateral damage, a fancy term for the accidental killing of civilians and, possibly, the unintentional destruction of a school or mosque. That in turn will provoke protests in parts of the Arab world, where the United States is considered the protector of a recalcitrant Israeli government.

As for Israel, it can expect that Iraq

will send some missiles its way — maybe armed with chemical or biological agents.

The United Nations has never been able to account for all the chemical or biological weapons that Iraq was once thought to have, possibly, even more have been produced. The same is true for Scud missiles. Iraq has some, that's for sure. If the United States launches air strikes against Iraq, there is a fair chance that innocent Israelis will die as well — more collateral damage. This, after all, is not Israel's fight.

None of the options available to the Clinton administration are any good. But the worst would be to allow a sociopath like Saddam to develop chemical or, in particular, biological weapons which, almost certainly, he would use. He already has used poison gas against his own people.

He is not, to return to metaphor, a mole but a rat. It would be best to exterminate him, but, barring that, he needs to be whacked. Sometimes, in statecraft as in life itself, all you can do is what you can.

The Washington Post.

Hear This: Palestinians Should 'Live as a Free People'

By Henry Siegman

NEW YORK — The recent

discussions between Bill Clinton and his Middle Eastern visitors, Benjamin Netanyahu and Yasser Arafat, focused on measures that Palestinians must take to fight terrorism and that Israelis must take to redeploy in the West Bank, as required by the Oslo accords. President Clinton put forward a formula intended to bridge differences on these two linked issues.

Such bridging measures, however necessary, are not sufficient to revive Oslo. The peace process can resume only if the parties have reason to believe it is likely to lead to realization of their most basic goals.

For Israel, these are security for its citizens, recognized borders and normal relations with its neighbors. For Palestinians, it is viable statehood.

That is why the most important development by far during these meetings was the statement by Mr. Clinton to Mr. Arafat that an essential goal of the peace process, in the American view, is that Palestinians should be able to "realize their aspirations to live as a free people."

It is as close as Mr. Clinton has come to endorsing the concept of Palestinian statehood. The statement goes a long way toward establishing a framework for final-stage negotiations that holds the promise of meeting the most basic aspirations of both Palestinians and Israelis.

Mr. Arafat told Mr. Clinton in their meeting that Palestinians were willing to negotiate their differences over process with Israel as long as that process leads to the intended goal.

Palestinians are prepared to take more stringent and sustained measures to fight terror,

intensify security cooperation with Israel, and identify those parts of their Covenant that were abrogated by a Palestine National Council resolution last April. What they will not do, Mr. Arafat told the president, is give up on the goal itself.

And no one has a right to demand of the Palestinian people that they do so.

Decisions by Israel's cabinet before Mr. Netanyahu's arrival in Washington constituted a rejection of that goal. The cabinet decided unilaterally that more than 60 percent of the West Bank will remain in Israeli hands. It also imposed 50 conditions that Palestinians must meet before Israel will make any further redeployments.

If Israel can unilaterally remove most of the West Bank from the table even before final-

stage negotiations begin, then the Oslo accords and the process they established have in effect been abrogated.

Israel's security interests are real: it has an obligation to its citizens to demand reasonable Palestinian accommodation to those interests. But no country can define its security interests so broadly as to preclude not only the security interests of its neighbors but also their very national existence. "We need security, ergo you may, on live" is not a viable axiom of international relations.

And far from providing added security, it is an axiom that provokes revanchism and violence as far as the eye can see.

It is not only cabinet declarations that abrogate the peace process. Rhetoric can be reversed, although it is hard to imagine a reversal in a cabinet dominated by Ariel Sharon and

Rafael Eytan. The real problem is changes on the ground by new Israeli housing, settlement activity and construction of major roads and infrastructure that create irreversible facts in the West Bank and inexorably relegate Palestinian areas to a number of isolated Bantustans.

These actions by Israel's government formed the background to President Clinton's important statement about U.S. support for Palestinian aspirations to "live as a free people." Those words injected a critical new dynamic into the Israeli-Palestinian negotiations.

Among other things, Mr. Arafat now has a credible argument that Palestinian frustration should not be allowed to lead to the abandonment of Oslo and to a new intifada just when the United States has decided to assert diplomatic muscle to save the peace process.

The timing of this new initiative is less than felicitous. Its impact will be diminished by two distracting factors. The possibility of an imminent U.S. military confrontation with Iraq will inevitably take some pressure off Mr. Netanyahu, and in the short run Mr. Clinton's personal problems may make it harder for him to face down supporters of Mr. Netanyahu in the U.S. Congress.

It is clear from Madeleine Albright's latest meeting with Mr. Netanyahu in Jerusalem that Israel's prime minister has concluded that the distracting circumstances enable him to defy President Clinton. Most Israeli observers have decided that for the duration of Mr. Netanyahu's stewardship, the peace process is dead.

But there will also be pressure on Mr. Clinton from friendly Arab countries and European allies during this period of confrontation with Iraq, which may well last beyond a single military strike, to show more evenhandedness in dealing with the obstructionism of Israel's government.

This underscores the importance of continued and vigorous U.S. insistence on a framework for final settlement that includes viable Palestinian statehood. The United States must make clear that unilateral actions in the territories will not be able to change this outcome.

More blood may well be shed before reason prevails, but until that time U.S. insistence that Palestinians cannot be denied their national aspirations will establish a marker that no Israeli government can erase and that will serve as the basis of Israeli-Palestinian negotiations when they are eventually resumed.

The writer, a senior fellow at the Council on Foreign Relations, contributed this to the International Herald Tribune.

Enlarge the European Union Before NATO

By Howard Baker Jr., Sam Nunn, Brent Scowcroft and Alton Frye

WASHINGTON — The looming Senate debate on NATO enlargement marks a historic encounter between good intentions and sound strategy.

Despite momentum toward admitting Poland, Hungary and the Czech Republic, the fundamental interests at stake demand probing examination of the specific candidacies, the approach that has brought the alliance to this fateful juncture, and the troubling implications of that approach.

Along with many who have worked to build a strong NATO, we harbor grave reservations about the pending expansion and the direction in which it points.

Far from being a Cold War relic, NATO should be the cornerstone of an evolving security order in Europe. It provides the infrastructure and experience indispensable in coping with instabilities — Bosnia today, and other trouble spots tomorrow.

NATO is vital to ensuring arms control and maintaining the kind of industrial base that provides a solid defense.

Perhaps most important, NATO provides the institutional home for coalitions to meet crises beyond Europe.

But a cornerstone is not a sponge. The function of a cornerstone is to protect its own integrity to support a wider security structure, not to dissipate its cohesion by absorbing members and responsibilities beyond prudent limits.

A powerful NATO undergirds other institutions, including the Organization for Security and Cooperation in Europe and the Western European Union. It makes possible the Partnership for Peace to promote cooperation among countries that are not NATO members.

The rush to expand the alliance has put the cart before the horse. Advocates and skeptics of NATO enlargement agree that the transformation of Europe's security structure should be related to the transformation of its economy.

As James Baker, the former secretary of state, has testified, European Union membership "is just as important as membership in NATO for the countries involved," and "we must make clear that NATO membership for the countries of Central Europe is not a substitute for closer economic ties to the EU."

In our view, it would have been preferable not to invite more countries to join NATO. At the very least, it would be desirable for the European Union to proceed with its planned expansion before NATO completes the acceptance of the new members.

The European Union has now decided to begin negoti-

ations with six aspirants, including the three candidates NATO is considering. Linking NATO expansion to the expansion of the EU would accomplish several things:

• It would underscore the connection between Europe's security and its economy, and offer certification that entrants to NATO could afford to meet its defense obligations.

• It would permit the Partnership for Peace to demonstrate that it should be the proper association for countries outside NATO. So long as the option to join NATO remains open, it utterly undercuts the partnership as the preferred mode of cooperation.

• It would allow the United States and Russia to focus on the gravest security problem still before us, the formidable hangover of nuclear and other weapons of mass destruction.

The cooperative framework provided by the NATO-Russia Founding Act may be useful, but frictions over NATO distract Moscow and Washington from profound common dangers.

Even if everything goes right in expanding NATO, we will have misplaced our priorities during a critical window of opportunity to gain Russian cooperation in controlling nuclear arsenals and preventing proliferation. Antagonism is sure to grow if the alliance extends ever closer to Russian territory.

The Senate would be wise to link NATO and EU expansion. If that link is made, it is essential to stipulate that admission to the European Union is not sufficient qualification for entry into NATO, which should weigh any future applicant against the contributions and burdens its membership would entail.

What is called for is a definite, if not permanent, pause in this process.

By leading the charge for NATO expansion, the Clinton

administration may well elicit hasty proposals and considerable pressure to admit other countries. Other Central and East European countries are hoping that they, too, will soon be welcomed into allied ranks.

But a military alliance is not a club, and the administration's rhetoric and policy risk converting NATO into an organization in which obligations are diluted and action is enfeebled. Pursuing that path may simultaneously spur Russian animosity and weaken the alliance's capability to contain it, if required.

William Perry, the former defense secretary, and Warren Christopher, the former secretary of state, acknowledge the problematic situation in which the United States finds itself. In their words: "There is no consensus on the wisdom of the path taken so far by the alliance and spearheaded by the Clinton administration."

While Mr. Perry and Mr. Christopher state that NATO should remain open "in principle," they contend that no additional members should be designated until the three current candidates "are fully prepared to bear the responsibilities of membership and have been integrated into the alliance."

That reads to us like advice to slow this train down. We are in accord with that view, and with their argument that NATO should make the "experience of Partnership for Peace membership for non-NATO members" "as similar as possible to the experience of NATO membership."

We are dubious, however, that consensus can be found on the administration's premise that NATO should be receptive to many additional members. That is a prescription for destroying the alliance.

It guarantees future discord with present allies, few of whom are prepared to follow the Clinton policy to its logical end, the inclusion of Russia.

The task is to build a security structure in which Russia assumes a place commensurate with its geopolitical importance and its progress toward democracy and a market economy.

With due respect, those campaigning to expand NATO confuse the longer-term challenge of shaping a comprehensive security system with our continuing responsibility to sustain a robust NATO as our principal security bulwark.

The question confronting the Senate is not only whether to enlarge NATO, but how, when and on what terms.

The imperative now is for the Senate to bring to bear the independent assessment man-

dated by the U.S. Constitution. In that assessment it has several options, including linking alliance expansion with EU enlargement and laying down a marker against an excessively elastic NATO.

The Senate has constructive leverage to shape a wiser outcome than simple acquiescence in the president's plan. The widespread grumble that "NATO expansion" is a bad idea whose time has come "is oo basis for policy."

This is not a dose of medicine one can swallow and be done with. It is a fundamental extension of American security guarantees, an ill-defined invitation for new members unrelated either to military threats or military capabilities.

A final caution to the administration: It is no service to candor or consensus to invoke the shadow of Versailles, implying that resistance to NATO enlargement would be comparable to Senate rejection of the League of Nations. One doubts that senators will respond well to overdrawn analogies.

As John Maynard Keynes noted at the time, the central failure of Versailles lay in the fatal miscalculation of how to deal with a demoralized former adversary. That, above all, is the error we must not repeat.

Mr. Baker is a former Republican senator from Tennessee. Mr. Nunn is a former Democratic senator from Georgia. Mr. Scowcroft was national security adviser to Presidents Gerald Ford and George Bush. Mr. Frye is a senior fellow at the Council on Foreign Relations. They contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Accord on China

ST. PETERSBURG — It is rumored in diplomatic circles that an accord has been reached by Great Britain and Russia on the Chinese question. Lord Salisbury no longer demands the opening of Ta-Lien-Wan, which would severely hamper Russia's acknowledged sphere of influence in the Liao-Tung peninsula. Russia, on her part, promises to secure the opening of Port Arthur to foreign trade.

1923: Radio Teaching

PARIS — [The Herald says in an Editorial:] Radio-telephony will be largely employed in education. Every lecture delivered in the colleges and universities could be radio-telephoned to hundreds of thousands, even millions, of hearers. Even where the subject matter is too complex to be retained from merely oral recep-

1948: French Films

PARIS — The National Assembly was asked to revise the Blum-Byrnes agreement regulating American film showings in France and to increase state aid to the ailing French film industry. The Blum-Byrnes accord stated that French theaters would be required to show French films at least four weeks out of every thirteen-week period. The remaining nine weeks were to be opened to free competition against foreign films. In practice, however, most of the remaining nine weeks have been taken over by American films, which are being cheaply disposed of on the European market out of a war-time backlog of some 2,000 films.

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OPINION/LETTERS

Doesn't America Deserve Better Than This?

By Bob Herbert

NEW YORK — The president's poll numbers are up, and large numbers of Americans are trying to cover their ears and close their eyes to any further developments in the Clinton-Lewinsky saga.

They are counseling the media to let the story go. Bill Clinton's sex life is his business. His and Mrs. Clinton's. And if the president can't keep his hands off the White House help — well, at least the economy is in good shape.

But willful ignorance never works. If we Americans had paid close enough attention to the Gennifer Flowers fiasco in 1992 we would have realized by now that these matters are not just about Mr. Clinton's sex life. They are about patterns of lying and abuses of governmental power that are at least as corrupt as accepting money in return for government favors.

In the fall of 1990 Ms. Flowers was broke and out of work. She called her friend Bill Clinton, then governor of Arkansas, and asked for a state job. Not much happened. The following February Ms. Flowers sent the governor a letter suggesting she was ready to do something drastic.

"Bill, I've tried to explain my financial situation to you and how badly I need a job

... she wrote. "Unfortunately it looks like I will have to pursue the lawsuit to hopefully get some money to live on, until I can get employment."

Ms. Flowers was threatening to press a very public lawsuit against a radio station that had claimed she was Mr. Clinton's mistress. The governor got the message. Ms. Flowers was hired as an administrative assistant at a state agency called the Arkansas Board of Review.

This was bad news for a veteran state employee and mother of three named Charlotte Perry. Ms. Perry was up for the same job and filed a grievance when Ms. Flowers got it. A grievance committee ruled in Ms. Perry's favor, concluding that Ms. Flowers had been improperly hired.

That meant nothing. A Clinton crony named Don Barnes, who headed the Board of Review, rejected the committee's findings. Early the following year, Ms. Flowers, on the tapes that she secretly recorded, can be heard telling Mr. Clinton: "The only thing that concerns me, where I'm, where I'm concerned at this point, is the state job."

Mr. Clinton replies: "Yeah, I never thought about that ... If they ever ask if



you've talked to me about it, you can say 'no'."

And when Ms. Flowers told Mr. Clinton that she had lied about a certain matter to the grievance committee (she was under oath at the time), Mr. Clinton said, "Good for you."

Fast forward to Monica Lewinsky. Like Ms. Flowers, Ms. Lewinsky was a close friend of Mr. Clinton's. And she was looking for a job. She landed a position at the Pentagon with a top-secret clearance and lots of travel, but it didn't pay much and didn't seem to be working out.

She was offered a job by UN Ambassador Bill Richardson, who had breakfast with her at the Watergate. She declined the offer. Last month she accepted a \$40,000-a-year job with Revlon, whose chairman, Ronald O. Perleman, is a major contributor to Mr. Clinton. Ms. Lewinsky was recommended for the position by the president's good friend Vernon Jordan.

Even as the Revlon offer

Exaggerated Fears of Moral Decline

By E. J. Dionne Jr.

WASHINGTON — There is a huge misunderstanding between the Washington commentator and the American people. It is producing much anxiety over whether Americans are ignorant, misinformed and, worst of all, morally indifferent.

The misunderstanding is based on a statement that is technically true: A majority of Americans thinks that President Bill Clinton had some sort of sexual relationship with Monica Lewinsky, and a large majority nonetheless approves of the job President Clinton is doing.

From this single-sentence summary of all the polls, enormous conclusions are being drawn. It is assumed that Americans accept that this illicit relationship happened and don't care. Some see this as the end of our American civilization as we know it.

Here is former Education Secretary William Bennett speaking last weekend: "One problem is the problem of people who say, 'I see it, I think it happened, I think he lied about it and I don't care.' That's a serious problem. That is an erosion. That is moral decline."

Writing in The Washington Post about the view of Washington wise persons, Joel Achenbach nicely captured the conventional wisdom: "Are the American people blind? Are they lapsing into some kind of amoral funk? Can people really be that complacent about an alleged affair between a president and a 21-year-

old intern and the possible bald-faced lies that followed?"

Mr. Bennett and everybody else can relax. The Washington view of opinion out in "the country" is based on an error that you learn about in Statistics 101.

There is not one single majority representing all of "the people." There are

Only 25 percent of people polled both think Mr. Clinton misbehaved and still approve of him.

two majorities. One approves of the president. The other thinks he had the sexual relationship. The two majorities do not overlap nearly as much as everybody is claiming.

To figure this out, I sat down with Claudia Deane of The Washington Post polling department and did some analysis of The Post's most recent survey. The survey paralleled all of the others you have heard about: 67 percent of respondents approved of the president's job performance, and 53 percent thought he had had the affair with Monica Lewinsky.

But here is what you don't hear about: Most of the people who approve of Mr.

Clinton's performance do not think he had the affair or are reserving judgment.

Here is how he gets to that 67 percent approval rating: 32 percent of all Americans approve of Mr. Clinton's job performance and do not think he had the affair; 10 percent approve of Mr. Clinton and don't know whether he had the affair. And 25 percent think that he had the affair and still approve of his performance in office.

In other words, huge conclusions about all Americans are being drawn on the basis of just one-quarter of us who think he had the affair and still say good things about his performance in office.

True, one-quarter of Americans is a lot of people. Their willingness to give a higher priority to the president's professional achievements than to any matters sexual is crucial to his political health.

But the fact is that a substantial majority is trying hard to keep its view of Mr. Clinton's job performance and its view of his personal behavior in line with each other. There is no amoral majority.

These numbers should trouble White House spinmeisters who boast that the president is out of the woods. Most Americans think the president is doing a good job, and most of these are giving him the benefit of the doubt. But if new information should undermine the president's denials, you can count on his approval rating to go down.

Washington Post Writers Group

LETTERS TO THE EDITOR

Presidential Matters

When I hear the Republicans criticizing President Bill Clinton's budget proposal as "the road back to the era of big government" — in the words of Dick Armye, the House Republican leader (HRT, Feb. 3) — I gag at their hypocrisy. What could be more intrusive than Kenneth Starr's interrogation of citizens about their sex lives?

The government has no business asking people whether they had sex with so-and-so. There is only one answer to that question — "no" — and therefore the charge of perjury in this case is absurd. The question should not have been asked.

Only when one person claims that another forced sex on him or her should it become a legal matter. Get those Republicans out of our private lives. Send the witch-hunters to bed!

BRUCE JOFFE,

Oakland, California.

I am writing about Senator Jesse Helms's comment that U.S. opinion polls showing an increase in President Bill Clinton's popularity "say a lot about the American people" and make him "sad" (HRT, Feb. 2).

These polls are not a sad commentary on the American people. Senator Helms's words, however, are a very sad commentary on the pompous, self-righteous and totally out-of-touch crowd of politicians, lobbyists and media personalities who mistakenly think that they, and not the citizens who live outside the Beltway, represent America.

The polls are proof that the American political system works. We have open and free elections, and no violence and only rare corruption in the electoral process. We care about the real issues.

What the polls show is that we have a capital totally out of sync with the nation. The quality of too many of the people we have sent to Washington leaves much to be desired.

How can we citizens undo the awful consequences of the "Washington Syndrome" as epitomized in Mr. Helms's statement? We must demand that those elected to serve us focus on real issues and not on the sex lives of each other.

Also, Americans want the news media to focus on the real news, not to respin the fluff and nonsense of the professional spin doctors who are paid to confuse and distract us from the important issues.

I do not claim that President Bill Clinton is not a big part of the problem. He has become a symbol of the Washington Syndrome: above any normal rules of behavior and, worse, answerable to no one.

On the other hand, whatever President Clinton's extramarital predilections, they are (within limits of discretion) his business and not matters of importance to public policy and governance.

However, the possibility that he has perjured himself or suborned the testimony of another is a serious matter and should be properly investigated. This process should take its legal course and the results should be made known in a clear and straightforward manner. If he is guilty, he can no longer serve as our president.

DREW HORGAN,

The Hague.

For me the real scandal occurred not when the Clinton story broke in Washington on Jan. 21 but when, the following day, the three leading U.S. news anchors left Cuba, where they had been sent to cover Pope John Paul II's historic visit.

JOAN LEWIS,

Rome.

In view of the astonishing soap opera, I would like to make a modest proposal: Anyone running for government office must produce a medical certificate that he or she has been neutered.

FREDERICK S. WILDMAN,

Colebrook, Connecticut.

I can't count how many times pundits have compared President Clinton's alleged behavior with that of Richard Nixon. Both told lies and obstructed justice. Then everyone sighs and the discussion ends.

But I would like to carry it further. Look at what was being covered up. Surely there is a great deal of difference between lying about a burglary in the office of your political opponent and lying about an act of consensual sex.

In the first case there is a threat to the republic. In the second, a gentleman may reasonably prevaricate in the area of sexual behavior, which is after all a very private matter and really of no concern to public or prosecutor.

The pundits also are amazed that President Clinton's approval ratings approach 70 percent. I'm not surprised. Most people in America — "the land of the free" — can sympathize with a man who is having the most intimate details of his sex life scrutinized by a powerful and antagonistic organization.

This entire "Star Trek" is reminiscent of the old KGB: wiretapping, sexual spying, friend betraying friend. Is this the USA?

SHELDON LITT,

Stockholm.

As a French citizen, permit me to say that I generally admire and love Americans but right now find them utterly ridiculous. What business of theirs is the president's private life?

A president, or any other man, has the perfect right to as many mistresses as he wants, doesn't he? If Americans do not want their politicians to have mistresses, why don't they kick all the himbos out of political workplaces?

It is incredible: America is at peace, unemployment is low, the crime rate is decreasing. Americans should be proud of their president! Don't they realize that their narrow-minded puritanism has made them the laughingstock of other

or nations? What credit can nations give a people that pays more attention to a politician's womanizing than to his economic, social and political record? I hope this silly business soon comes to an end.

ANNE BRUNEAU,

Poitiers, France.

This is a flagrant example of the press acting as judge, jury and executioner. The job of the press is to keep the citizens informed and to investigate when there is a clear absence of due process. It is not to speculate on impending impeachment when at this time no verifiable evidence of wrongdoing even exists!

KROV N. MENDUHN,

St. Rémy-de-Provence, France.

Your European readers should realize that the charges against Bill Clinton are serious and cannot be dismissed. Similar charges led to First Lieutenant Kelly Finn's dismissal from the U.S. Air Force, of which President Clinton is commander in chief. Such charges also nearly destroyed the career of Clarence Thomas, now a Supreme Court justice.

Considering the problems of teenage pregnancy, sexual harassment and sexually transmitted disease in America, our leaders should set an example of decency for the people they lead or else find some other line of work.

ALLAN C. STOVER,

Jidda.

The media's one and only concern appears to be how to increase revenues. The harm done to the national interest on the international scene by such scandal-mongering seems to be of no concern.

STANLEY FEWELL,

Milan.

Is the president's sex life none of our business? Of course not. We elected him not only to be head of government but to provide moral leadership.

FRANK PEELE,

Geneva.

Karla Faye Tucker's Last Act: Putting a Face on Death Row

By Ellen Goodman

BOSTON — Death came to Huntsville, Texas, as a spectacle.

Somewhere in the gothic prison structure they call The Wall, the warden took off his glasses as a signal to let the execution begin and a lethal cocktail flowed into Karla Faye Tucker as she lay strapped to a gurney.

Outside, a crowd of 1,000 greeted her death with gospel songs or football cheers,

MEANWHILE

holding placards that read "Die Like a Man" or "Jesus Was a Victim of the Death Penalty."

The European camera crews that had come to the execution capital of America, home to seven prisons and 11,800 inmates, beamed home the pat image of the Wild West. They broadcast the image of a backward Lone Star state where America's highest crime rate is unabated by its highest execution rate.

The death of this woman was preceded by an unrivaled celebrity star turn. She appeared on the religious broadcaster Pat Robertson's show, "The 700 Club," and on every network show that knew a good guest when it saw a freckle-faced killer or heard a born-again ax murderer. After her life was over, survivors rushed back from her death journey to "Larry King Live."

Few in the vast audience that came to know Karla Faye Tucker's face and even the contents of her last supper — the banana, the peach, the tossed salad — had ever heard of Michael Lockhart, the man who was put to state-inflicted death in December. Nor did they know that he had also worn a cross, toted a Bible, recited verses by memory.

But somewhere between the moment when the 23-year-old Ms. Tucker left a pickup in a victim and when the 38-year-old Ms. Tucker was declared dead at the hands of the state of Texas, a remarkable thing happened. Karla Faye made allies of Pat Robertson and the socialite Bianca Jagger, of Pope John Paul II and the American Civil Liberties Union.

For at least one moment, in one case, some religious conservatives and some civil libertarians ended up on the same side — just as surely and just as unexpectedly as the brother and husband of one of the victims ended up on opposite sides.

This was a time when closed minds reopened, however slightly. A time when opinions cast in black and white — for or against the death penalty, tough or soft on crime — were suddenly shaded with Tucker gray.

A Christian Broadcasting Network reporter explained why her pro-death penalty view became pro-Tucker: "She didn't fit what we thought people on death row were like."

An evangelical commentator supported this born-again murderer as a "miraculously sweet-spirited little soldier in the war against criminal wickedness." The watchword shifted from vengeance to redemption, from justice to mercy.

Like many, I found myself uncomfortable with these sudden friends of mercy. I don't doubt for a minute that her whiteness, her femaleness, her photogenic Christian-ness made her the exception.

Those who "fit" the image of people on death row are, after all, disproportionately black and almost entirely male. As the Reverend Jim Wallis, the editor of the Christian magazine Sojourners, says, the test is "to apply that same compassion to a young black man who's had a conversion to Islam." Or for that matter to someone who's had no religious conversion.

As for being a woman, we have been told repeatedly that Ms. Tucker was the first woman executed in Texas since the Civil War. But as long as I have wrestled over the issue of capital punishment, it is not the criminal's gender but the legal system's fallibility that has given me greatest pause.

In 1863, Ms. Tucker's female predecessor, an innkeeper named Chipita Rodriguez, was hanged for the murder of a customer found floating in the Arkansas River. In 1985, the Texas state legislature passed a bill clearing her name. Better to have passed a bill allowing life without parole — which Ms. Tucker asked for but which does not exist under Texas law — than a postmortem pardon.

But however uncomfortable I am with the idea that we need an attractive white female believer — media-friendly and married to a minister — to induce second thoughts about the penalty that put 37 men to death in Texas last year, I give this murderer her posthumous due. Any way you look at it, Karla Faye Tucker put a face on death row.

Not far away from The Wall, there is a cemetery where men killed by the state of Texas are buried. The graves are marked with uniform white crosses and prison numbers instead of names. For one moment before death, Karla Faye Tucker broke through that silent graveyard of anonymity.

The Boston Globe

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Leisure

PAGE 10

Cruising Fjords With Inches to Spare Land of the Midnight Rainbow

By Sarah Ferrell
New York Times Service

BERGEN, Norway — On shore, the Midsummer's Eve bonfires twinkle dimly in the sunshine as we sail out of Bergen. Jet-lagged, we seek out our cabin and go to bed long before dark. It is about 11 P.M., and by the time our ship makes port in Florø — the first of several dozen stops on this 2,500-mile voyage along the western coast of Norway — we are sound asleep, missing one of the few chances that we are going to have to watch the sun set.

My husband, Tom, and I have signed on for a round-trip cruise on Bergen Line's Nordnorge, one of 11 ships that sail year-round from Bergen around the North Cape to Kirkenes, a town a few miles from the Russian border. The voyage encompasses the better part of 12 days and, for all practical purposes, much of our route is above the Arctic Circle, and it is the latter part of June — no nights.

The 464-berth Nordnorge, which went into service in March, is the newest of the fleet, replacing the 219-berth Kong Olav. Until 1893, northern Norway was isolated during the long winter, in that year, however, the coastal steamer service was inaugurated to function throughout the year delivering mail, cargo and passengers. Although trucks and planes now deliver the mail, the coastal vessels still carry cargo, local passengers and an increasing number of tourists.

OUR cabin is just wide enough to accommodate two narrow bunks, one that turns into a sofa by day and one that folds flat against the wall, and a small table, with shelves for binoculars and bird books, set between them. There is a comfy chair, a dressing table and built-in storage units into which an amazing amount of stuff can be made to disappear. The bathroom is small, but has a big medicine cabinet, an excellent shower, thick white towels and an electrically heated floor. Not an inch is wasted, but it remains just this side of cramped.

Public spaces are ample, especially the two glass-walled lounges on the top deck in which one can sink into well-upholstered chairs and watch the frequently awe-inspiring scenery go by. The Nordnorge has no swimming pool (although there is a small sauna and an exercise room with four machines, two of them bicycles), no casino (unless you count a game room with three video adventures and four slot machines) and only limited entertainment, e.g., a tiny dance floor in the Stella Polaris bar.

We are, however, aboard for the 24-hour

scenery and the sheer excitement of being on a ship that navigates among islands and fjords with what seems like only inches to spare. One of the most dramatic events is the northbound approach to the Lofoten Islands, a wall of impenetrable-looking mountains that extends about 60 miles (100 kilometers) from the coast into the sea. They loom ahead as a dark, spiky mass silhouetted against a cloud-scattered blue sky; snow streaks their summits — Norway has had a late, hard winter. As we approach a pair of fierce gray peaks, their slopes change from gray to dragon-skin green, little villages appear at their bases, and a narrow passage opens up, through which the Nordnorge glides.

TURNING ON A DIME

A little farther north, the ship makes a detour for the Trollfjord, slipping into a passageway between almost vertical stone walls. The fjord, which is said to be about 100 meters wide at its entrance, is also less than two miles long; the Nordnorge must, and does, turn on a dime to get out again. The mountains on each side seem near enough to touch, and ring with the sound of dozens of rivulets and waterfalls as the snow melts in the warm sun. Afterward, what is called Trollfjord soup (it seems to be mainly onion) is served on the open afterdeck to restore our nerve.

We stop for several hours in the university city of Tromsø, long enough for a look at the town, its Arctic Cathedral (nicer inside than out), and its museum, which has a display of Sami (Lapp) culture that will prepare us for the next day's jaunt to the North Cape. For such visits, the Nordnorge lingers in port longer than it would take to discharge and take on cargo; for other shore ex-

cursions, the buses leave from one port and catch up with the ship at another.

Five buses, labeled by language, await us as we disembark for the North Cape: one Norwegian, two German and two English. We get our first look at tundra, a lunar landscape streaked by snow and marked by the occasional rock pile or dark tarn. This is the season when the Sami — only about 7,000 of them, or roughly 10 percent, still live as nomads — are encamped with their reindeer herds.

The North Cape is the closest thing Norway can produce to a tourist trap, but it's fun all the same. Said to be the most northern point in Europe (although a little spit of land to the west is slightly more northern), its attractions include a big bar, a bigger gift shop, a small chapel and a series of charming little dioramas representing such visitors as Francesco Negri, an Italian priest who got there in 1664, and King Oscar II of Sweden and Norway, who is shown crawling up the cliff on his hands and knees in 1873.

We have noticed an increase in bird life as we have moved north, and indeed, we have passed near (but not near enough) some famous bird breeding rocks. But as we approach Kirkenes, our northern terminus, flocks of terns — we recognize them from our bird books — come to us.

We turn around at Kirkenes, then proceed across a bit of open sea. The terns suddenly disappear, to be replaced by sportive kittiwakes, who perform acrobatics beneath our bow. In the distance, a few fat little buzz bombs struggle through the air; we are not close enough to tell for sure, but we guess they are puffins, notoriously clumsy fliers who live in large colonies around here. There are fewer tourists on board for

the southbound leg of the trip, since the contingent that got off at Kirkenes has not been fully replaced by those going to Bergen. In addition, the weather, which is famously unpredictable (pack sun hats and woolies!), and has been, in our case, glorious if occasionally brisk, has begun to change. It is raining in Hammerfest, then misty at midnight in Tromsø, requiring the cancellation of an excursion to the top of a funicular to observe the midnight sun.

It is still foggy the next morning in Harstad when we get on the bus. (There are only two now, English-French and German-Norwegian.) Our first stop is at Trondenes church, an austere stone structure built on a windswept headland in the middle of the 13th century and much restored over the years. We are met by the vicar, a rather gloomy young man, who conducts a brief multilingual service.

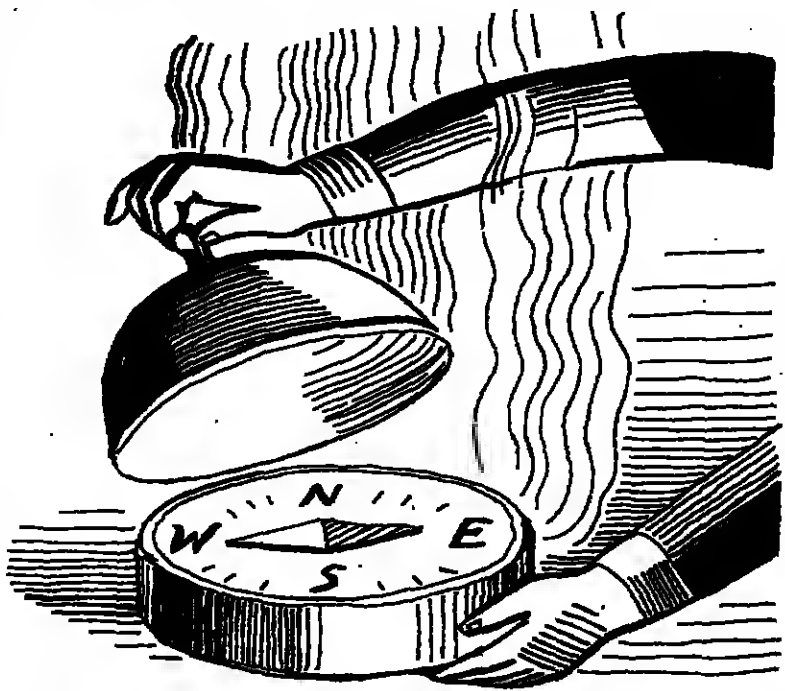
SINCE we are running early, we have an additional stop a bit later on to examine the Adolf Gun, one of the long-range guns installed by the Nazis to defend the Norwegian coast against an Allied invasion that never came. It was supposed to have a range of 35 miles and it is, needless to say, big and scary. The excursion ends at the little town of Sortland, timed (by dint of much phoning back and forth) so that our buses are crossing a soaring bridge just as the Nordnorge, which we rejoin for lunch, passes underneath.

The afternoon has become dazzling as we make our second pass through the Trollfjord — perhaps even more dramatic this time around, since we really don't see the narrow entrance until you're right on top of it — and the wind is whipping the surface of the water into a million flashing sequins. The shallows are a brilliant jade color, and the ship leaves a turquoise wake. No soup this time, though.

It is a brilliant night. At some point in the wee hours, we look out our cabin window and there, daughter of the midnight sun, is a great Arctic rainbow.

The following days bring other pleasures: a tour of Trondheim and its medieval cathedral; a detour past Torghatten, a mountain with a strange hole running right through it, the softer geology of central Norway. But it is the memory of the Arctic part of our journey, the elation of the midsummer light, that will remain with us longest.

Prices for the 12-day cruise range from \$1,295 per person, double occupancy, for one of the older ships during the dark months to the nearly \$2,500 a person for the newest ship in high summer.



Getting Modern, Going International The Trendy, Quirky and Fine

By Patricia Wells
International Herald Tribune

HONG KONG — With Hong Kong at the helm, all of Asia is witnessing a new era in cuisine. From city to city, the young, hip and modern diner is finding a deluge of restaurants especially created for youthful tastes and styles.

The handover of Hong Kong to China in June inspired a flock of restaurants that scream MODERN with giant capital letters: Out with giant banquet-style dining halls, fluorescent lights and red-flocked wallpaper; in with intimate saloons, halogen track lights and clean, white minimalist walls.

The biggest revolution here is taking place in what the locals now call SoHo, for south of Hollywood, in the Lan Kwai Fong district in central Hong Kong. While the aromas of Stanton and Elgin streets used to be ink and furniture polish, the air is oozing with the scent of freshly roasted coffee, garlic, tacos and beer.

With names such as Nepal (with Himalayan yak's cheese for dessert), Desert Sky (with Persian carpet plate mats), Club Casa Nova (fresh potato gnocchi), Sherpa (Himalayan coffee) and Caramba (Mexican tacos and beer), the culinary revolution is a sign that young Hong Kong residents want more than dim sum and Peking duck. They also want the Western lifestyle and all that goes with it. They want cafés where they can hang out all day with a cup of java, and they have it with Staunton's Bar & Café, with its open feeling and giant glass windows onto the street. When they do go Chinese they want it to be retro, like the Red Star Café with its own beer and Mao-era posters of blue-clad revolutionary workers.

HOLD THE SUBSTANCE

They want everything that they consider cosmopolitan, youthful and a bit bohemian. And in weight-conscious Hong Kong, they want food that has more style than substance.

Wherever I went in Asia, the trend among the thirtysomethings was clear. Vegetarianism is on the rise, and many restaurants have a "no red meat" policy. Red wine is the drink of the moment. (Bordeaux, please, preferably top vintage and preferably rare.) A whole new style of tea shops — offering extensive and rare collections — caters to the young and well-heeled. Juice bars are the rage, as people pause for such elixirs as carrot, parsley and spinach juice "for twinkling eyes, vitality, great teeth & gums, good circulation, better digestion and Vitamins C and E."

There is at last a resurgence of interest in Southeast Asian food, as Thai and Vietnamese restaurants (largely ignored in Hong Kong for years) appear with SoHo's Wyndham Street Thai and Vietnamese Café du Lac. American-trained chefs with an

Asian bent are also flying high in Asia. The French-born Jean-Georges Vongerichten (with Asian-French restaurants in New York and London), has opened another Vong in the Mandarin Oriental Hotel. In Singapore, the American-born chef James Chew (who trained at Stars in San Francisco and Vong in New York) oversees Brewerkz, a splashy microbrewery and restaurant modeled after those in America.

There are, of course, inconsistencies and contradictions. Take a look at the menu of the sleek, cool, chic Joyce Café with three addresses in Hong Kong and others throughout Asia. Decorated in black-and-white photographs of Hong Kong's markets, and clean lighting, the cafés are magnets for those who want to see and be seen. The menu is largely Asian, with a Salad Kyoto that combines crab roe and king crab leg, lemon zest, cucumber and avocado and fragrant shiso leaves.

DESSERT BINGE Sensible enough. But only so one can go wild on desserts: Such as a warm phyllo tart of figs and berries topped with walnuts and strawberry ice cream. Or dark chocolate and marmalade fudge cake with King Island cream.

And then there is the fusion craze. Or too often, confusion. I have to ask, with all the complexities, intricacies and wonders of Asian cuisines — whether it be Japanese, Chinese, Thai or Vietnamese — why dilute the power and pleasures with willful Westernization? They call it an attempt to combine the best of food from around the world into a single cuisine. But who in his right mind would order Lobster Naches with Boursin Cheese, Asian Tomato Relish and Guacamole? Or Spicy Gazpacho with Black Truffles. Or Wasabi Mousse with Oscietra Caviar and Shiso Potato Chips.

All these, and more, are found on the menu at Felix, the ultramodern, ultra-trendy and frankly beautiful Philippe Starck-designed restaurant atop the newly renovated Peninsula hotel. What happened, I wonder, to the chef who felt he had a responsibility to his diners as well as the ingredients to honor both the dish and the diner?

HOTELS throughout Asia have been quick to catch on to the youthful appeal of multiple cuisines. At Raffles in Singapore, the already popular Doc Cheng features not only a mix of Asian and Western fare, but specially designed dining utensils, one is a fork or a knife, the other a chopstick.

In June, the Hyatt Singapore hopes to open Mezza9, an atmospheric, jazz-enhanced dining room with no less than nine show kitchens, featuring everything from European deli fare to a sushi bar, open Chinese kitchen, a walk-in wine cellar and a martini bar and cigar room. Everything but a place to park the kids.

Next week: Thailand

NIGHTLIFE

Going to the Head of the Class in Salamanca

By Al Goodman

SALAMANCA, Spain — A city that has housed a university since the 13th century is bound to know a few things about intellectual watering holes, and the current crop includes great names like the bar called Curo Laude and La Biblioteca (The Library).

But as any professor can attest, there's more to a bar than its moniker. Design and ambience are paramount, not to mention a mathematically correct supply of booze. At the head of the class is a madcap, spacious club called La Posada de las Almas, or Inn of the Souls, a short walk from the central Plaza Mayor.

The club is the creation of Angel Bajo, from the nearby provincial capital of Zamora, who has done the designs for 10 clubs in town. Far from imitating the sleek, clean lines of the vanguard bars in Barcelona or Madrid, Bajo bets on cheeky period themes, fancy old lamps, graceful mirrors and sleightful lighting.

The Posada — open daily from 6:30 P.M. to 3 A.M., and closing even later on weekends — faces the small, quiet Plaza de San Boal, and is built into a 19th-century palace, whose vestiges remain in its large arched stone entrance adorned with sculpted lions and shields.

Inside, the riot of figurines and knick-knacks is meant to convey the feeling of an old inn of the same name in the city of Zaragoza, the inspiration for the club. The most direct reference is a five-level dollhouse standing 12 feet tall and 22 feet long (4 meters by 7 meters), depicting the interior of a Spanish roadside inn from the pre-automobile era.

The dollhouse is about the only small statement in the entire club, except for the seven little cherubs clinging to columns or a tree trunk on the bar, each one lighted strategically with theatrical-style lamps.

On the larger side is the 19-foot-high ceiling, which gives the club an airy feeling even when it's crowded, a big advantage over many other stuffy, smoky nightspots in town.

A black metal catwalk runs along the back wall and cuts across the front middle section of the Posada. Clients are not allowed up top but can gaze at the balcony, which features three tables set with wine glasses and lace cloths, although no one ever dines there.

Also toward the ceiling are five out-sized figurines, like the "giants" used in Spanish processions. Watching over the clientele are a king, a queen, a cleric with wrinkled forehead and two helmeted, bloodied warriors, the latter representing death.

It's easy to work up a thirst with so

much browsing, and the bar responds with 100 options, including a small selection of beer and wines and a broad array of liquors. Coffee, served until about midnight, costs 150 pesetas (\$1) and beer starts at 250 pesetas.

The most expensive drink in the house costs 7,000 pesetas for Ballantine's 30-year-old Scotch whisky. Strangely, no one has ordered it during the club's two-year existence, yet the staff shows off the handsome, unopened bottle, if asked.

The music is mainly American and British rock, pop or soul, not quite loud enough to prevent conversation. The quietest corner is near the rear bar. The club naturally has plenty of college students — there are 35,000 of them in Salamanca — yet it also attracts a broader range of age groups, especially before midnight.

ROMANCE abounds: a couple locked in embrace at the main, white marble-topped bar; the tall male bartender and the petite slender barmaid showing exceptionally warm co-worker relations when they aren't pouring drinks.

The main bar is decorated with seven brass lamps, like those formerly found in university libraries, and seven intriguing circular factory molds that once made cookies.

La Posada de las Almas, 7 Plaza de San Boal, (34-23) 269-438, open daily from 6:30 P.M.

Café Bar Juanita, 21 Plaza de San Boal, open daily from 3:30 P.M.

Al Goodman, who writes for The New York Times from Spain, wrote this for the International Herald Tribune.

MOVIE GUIDE

GREAT EXPECTATIONS

Directed by Alfonso Cuarón, U.S. If there's any hope of enjoying "Great Expectations," you'd better lower 'em. Start off by purging Charles Dickens from your mind. You must not think of the 19th-century English author whose novel was the basis for this movie. While the movie, which stars Ethan Hawke, Gwyneth Paltrow and Robert De Niro, is passingly reminiscent of its literary source, it's so modernized, so retrofitted (maybe "sampled" is the word) for the MTV nation, you'll have to experience the drama in a different way. Finn (that would be Paltrow) oh insistently literate ones, played by Hawke, is a pre-teen Gulf Coast beach bum who lives with his fishing uncle (Chris Cooper) and has incipient artistic inclinations. Wading in the ocean one day, sketchbook in hand, he's accosted by an escaped convict (De Niro), who demands assistance. He or-

ders the kid to bring him food and something to break his ankle chains. When Finn (played as a boy by Jeremy James Kissner) returns with the goods, the convict orders him into a motorboat and heads for Mexico. But the Coast Guard patrol intercepts them, leaving the convict hiding behind a buoy and Finn more than ready to return home. Shaken from the experience, Finn gets on with the rest of his life, which includes regular visits to a neighboring, run-down mansion called Paradiso Perdido. The owner, an eccentric woman called Miss Dimmoor (Anne Bancroft) who (like Dickens's Miss Havisham) lives in a state of jilted mourning, invites Finn to return every week to play with her beautiful, diffident niece, Estella (played at this early stage by Rachel Besudene). After an erotic kiss at the water fountain, and an extended dance sequence, these kids grow up to become, well, Hawke and

Paltrow. Life unfolds in a sort of music-video shorthand, whole lives flitting by in a melange of beautiful images and sensual music. There's nothing wrong, nor particularly right about it. It just sits there, like a Nike ad. (Desson Howe, WP)

AFTERGLOW

Directed by Alan Rudolph, U.S. Maybe there's a more ruefully beautiful screen actress than Julie Christie. But that's hard to imagine while watching her radiant performance in "Afterglow." Alan Rudolph's sinuous romance about a great-looking, long-married couple with a lively extramarital agenda. Christie, who won a best actress award from the New York Film Critics Circle for her soulful and alluring work here, is as haunting as ever in the role of a middle-aged woman who chooses to live emotionally apart from her philandering husband. Lucky Mann, as played with equal

gusto by Nick Nolte, is a rakish handyman with a long list of grateful female clients. And while "Afterglow" gets as much pun mileage as possible out of Lucky's moniker ("He must be lucky," "Oh! I find him very different from Lucky,"), it also finds something genuinely smoldering in Lucky's escapades. Even after the film's last half-hour descends into a silly season, Rudolph writes and directs with obvious affection for his characters and with a deep knowledge of whatever makes them tick. "Afterglow" does seem sincere in trying to understand what happens to marriage after the initial passion burns down into something less fiery but perhaps more sustaining. (Janet Maslin, NYT)

FALLING INTO THE EVENING

Directed by Naoto Furu, Japan. The producer of "Maboroshi" here makes her debut as director. That this



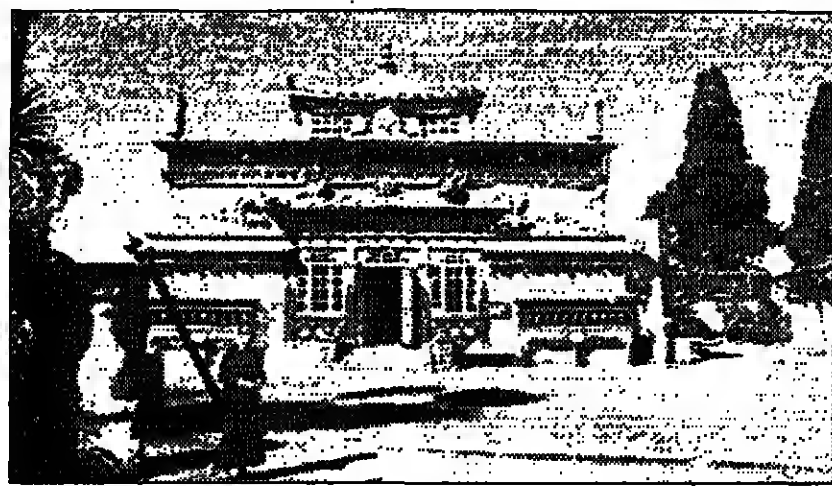
Scene from "Great Expectations."

shares a theme — incomprehension in the face of death. A couple together for four years breaks up. The reason is another woman. When she appears, however, she wants to live not with the boy but with the girl. An odd situation develops — one of them calls it a utopia. And it continues until the odd girl out kills herself. Goza adapted her script from the novel by Kaori Ekai, who wrote the original for Joji Matsushima's excellent "Twinkle," about an equally utopian utopia. Two boys and one girl. Here, however, death stops the fun and insists upon a seriousness with which the couple cannot cope. Odd, beautiful, grave, this film was made almost entirely by women (producer, director, design, music, editing) and confronts head-on a theme that concerns everyone: What do you do when what you lived for dies? (Donald Richie, IHT)

LEISURE

High Tea in an Old Raj Hill Station in India

By David Pinault



The Ghoom monastery, home to the Buddha of the future.

DARJEELING, India — The Bagdogra-Darjeeling road begins in hot, steamy flatland, flanked by bamboo thickets and banana froods, then rises and corkscrews among the hills. The vegetation changes: silver fir, rhododendron, maple, oak. From the window of our hired van, my wife, Jody, and I saw tea plantations with weathered placards bearing names like Longview and Margaret's Hope. Women with baskets plucked at tea shrubs and called to each other as we drove by.

The air grew cooler, moister. Mist gathered and the sky darkened. By the time we reached Darjeeling in the late afternoon, rain was drumming down and we were cold enough to put on sweaters.

It was in search of this cool air that I'd first come to Darjeeling six years ago. I'd spent the summer of 1991 documenting religious festivals in central India. Ten weeks of the plains had tired me out. Crowds and noise, noisier heat, relentless sun.

Darjeeling — the name had caught my fancy. Tea country. An old outpost of the British Raj. Altitude: 7,100 feet (2,160 meters). And the Windamer Hotel in Darjeeling, with buildings dating from 1862, proved to be the ideal retreat.

After a three-hour drive from Bagdogra, we arrived at the Windamer in time for afternoon tea, the first of many pleasant rituals I remembered from my last stay there. Before dinner we borrowed an umbrella and wandered the hotel grounds. A brochure in the lobby told us that in the 19th century this had been a boardinghouse for bachelor English tea planters, and as we walked about we saw a handful of cottages grouped around the dining hall and perched over the summit of Observatory Hill. There are 35 rooms in the complex including about 6 in an annex. We stayed in the main lodge. When the sky cleared, we were able to see Kanchenjunga and other peaks of the Sikkimese Himalayas.

SACRED SITE

We woke early the next morning to chanting and the muffled ringing of bells. Through the mist we could see a long line of people following a path that skirted the hotel and continued up Observatory Hill. We dressed and followed them until we reached Mahakal, a site sacred to Buddhists and Hindus alike. In centuries past a monastery stood here — Dorje-Ling, "the place of the thunderbolt," from which Darjeeling takes its name. The ambience was electric: In one shrine, a Brahmin priest and a Tibetan monk sat facing each other chanting prayers; in another, pilgrims gathered before statues of the Hindu goddess Kali trampling underfoot her consort Siva, while overhead fluttered prayer flags that were stamped with the Buddhist wind-horse of the high mountain passes.

Back in Darjeeling, we wandered down the hill to the Chowrastra, a plaza closed to vehicle traffic. The plaza serves as the main square of upper Darjeeling. Here are clustered bookstores, fabric stalls and some of the finest curio shops in India, their shelves crammed with curiosities like prayer wheels and Hindu bronzes, Chinese porcelain and *thangka* scroll-hangings, polished silver skulls mounted as pendants and jewelry and old Tibetan currency notes fancifully engraved with crimson snowflakes. The goods on display in all these shops provide evidence of Darjeeling's traditional role as a frontier town and trade center for the kingdoms of Tibet, Sikkim and Bhutan.

RAJ OUTPOST One of the most popular outposts of the British Raj, Darjeeling, with a population of 200,000, still draws visitors from all over the subcontinent and beyond. Rows of houses rise along a steep ridge, frequently obscured by mists from the valleys. From upper Darjeeling, one can see the forests of the Himalayan foothills; in clear weather there are distant views of Kanchenjunga and the other mountain peaks of Sikkim.

We sat on a bench in the Chowrastra and watched the parade: Bengali tourists from the plains bundled in sweaters and woolen scarves against the highland chill, entrepreneurs leading diminutive ponies and offering 10-minute rides, European backpackers, Lepcha and Nepali folk, monks in burgundy robes. We were glimpsing Darjeeling as seen by middle-class Indian vacationers from Calcutta or Delhi.

The morning after my most recent arrival in Darjeeling, Jody and I walked along one of the pedestrian footpaths to the old British Gymkhana Club. S.K. Chisling, a retired banker and the assistant secretary of the club, explained that it had been established in 1909 as an amusement center for the elite of Darjeeling society — planters and district magistrates, among others.

Today, the club is primarily used by affluent Darjeeling residents or well-to-do Indian vacationers. Temporary memberships are available to foreign tourists. Perhaps the most harmonious mingling of past and present in Darjeeling occurs at the Lloyd Botanical Gardens. To get there we descended from the Chowrastra to the lower bazaar and the nonstop huddle of the bus station, where we dodged food vendors, vehicles crowded with produce and hill folk bound for Gangtok and Siliguri.

Just beyond the station is a narrow lane leading to the entrance to the garden. Admission is free; we followed a path that took us down through landscaped slopes, past azaleas and beds of poppies and daisies, until we'd escaped the bus station noise altogether.

Before us stood deodar pines, palms and an aged Chinese redwood, its limbs twisted and gnarled. Paths crisscross the park; in the quiet we chose one that led us to a large Victorian conservatory, its glass roof topped with wrought-iron curlicues. Within were pots of orchids and birds of paradise surrounding a pool filled with goldfish. Nearby were smaller greenhouses and a pond beside a gazebo.

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ON our return from the garden we stopped in the lower bazaar. Very different from the Chowrastra's relatively pricey tourist shops, the stalls and kiosks here are oriented to customers from the town. Since the late 1950s Darjeeling has been home to a sizable number of Tibetan refugees, many of whom work in the bazaar. This is the neighborhood to go to for fruit and spices, multicolored devotional posters of Lord Siva entwined with cobras and cheap block-print prayer flags stamped with figures of the Buddha. We bought pashu bananas — small, sweet and about 3 cents apiece.

We later took one of my favorite expeditions from Darjeeling: a day trip to Ghoom Monastery, home to the Buddha Maitreya (the Buddha of the future, a figure of grace who will bring deliverance from sorrow) via the Toy Train — a narrow-gauge steam locomotive that pulls a string of small-scale passenger cars along tracks laid down by the British more than a century ago.

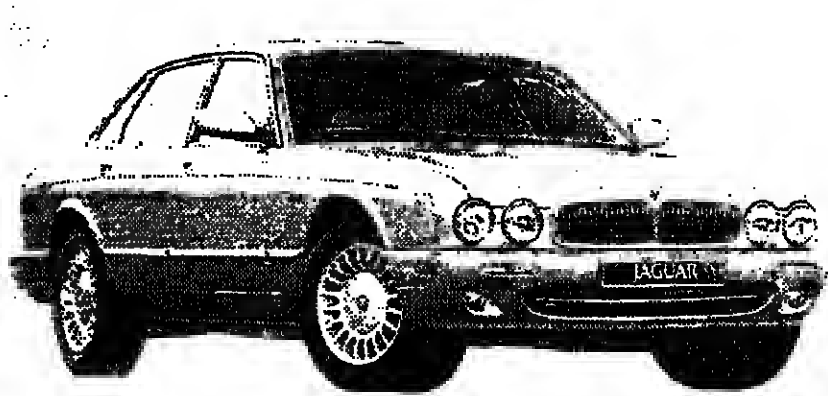
Before leaving Darjeeling, Jody and I visited one of several "tea gardens" (or plantations) that welcome visitors. At Happy Valley, within walking distance of the Windamer, we watched pickers at work among the fields of tea shrubs; then we entered one of the factory sheds to see the machines that subject the leaves in drying, rolling and pressing.

The Darjeeling Tea Planters' Club, perched above Nehru Road only a few minutes' stroll from the Windamer, still hosts tea tasting sessions for the Darjeeling Planters Association, where judges sample the first "flush" (or picking, said to be the best) and second flush from nearby tea gardens. Founded in 1868 and once a center for much of the town's social life, today the club survives as a hotel. The dining room has cupboards filled with regimetal silver from members of the Northern Bengal Volunteer Rifles. We sat in the bar and studied the series of watercolors by Snaffles, a British artist popular during the Raj for his illustrations of sporting scenes. My favorite was a painting entitled "The Finest View in Asia" — a tusked boar rushing through tall grass, pursued by a lancer on horseback.

TEA PLANTATIONS We made several shopping trips to Lachen La Road, where a number of stores (Nathmull's is one of the most reputable) sell packets of loose tea. It's not enough to ask for Darjeeling. A clerk told us that there are 79 tea estates in the district, each growing its own distinctive strain. My own favorite was Makibari, which offers a distinctive brew with a peculiar smoky tang: "the Scotch of Darjeeling teas," according to one advertisement.

A good way to end any shopping expedition in Darjeeling is at Glenary's, a tearoom that offers fine pastries and retains its Victorian ambience. It's a quiet retreat in the afternoon. Our last day in Darjeeling, we shared a table at Glenary's with an elderly retired Englishman who sat reading a Pugin translation of the "Dhammapadam." "How long are you here for?" I asked. "Either until I finish reading the Buddhist scriptures," he said with a smile, "or until I finish sampling all the teas in Darjeeling."

David Pinault, an associate professor of religious studies at Santa Clara University in California, wrote this for The New York Times.



Jaguar XJ8 Sedan: Beauty and Utility

By Gavin Green

IF cars were objects of art, rather than objects of utility, Jaguar would probably be the world's most admired manufacturer. Instead, it has been lumbered with a reputation for building very beautiful cars appallingly.

This fragility goes back to the early Jaguars. They were beautiful, badly made cars partly because William Lyons, the company founder and the inspiration behind the older models, was obsessed with using the cheapest possible parts. This helped keep prices low. The flip side was that you often needed a second car, to use as transport when the Jag was throwing tantrums.

When, in 1968, Jaguar became part of the huge and horrible British Leyland miasma — a group so ineptly managed, so badly guided (by politicians) and so ineptly staffed that it eventually bore most of the responsibility for the death of the indigenous British car industry — things got even worse. And it has only really improved over the past few years, since new owner, Ford, has seen the fruits of its shakeup. Now, Jaguars are not just very lovely cars. They are tolerably well made, too.

The most recent J.D. Power customer-satisfaction survey in the United States rated them ahead of BMW, and virtually equal with Mercedes-Benz. What's more, Jaguar, as a company, is booming. Production will double this time next year, when a new midsize model goes on sale. And, in 2001, production will double again when a rival to the BMW 3-series hits the road. Jaguar is now a company with a future, instead of merely a past.

MIX AND MATCH

Its newest model is the XJ8 sedan. Until the smaller sedans come on stream, it is the only four-door in the range. It is available with three different engines — a 3.2-liter V8 (as tested), a 4.0 and, if that's not fast enough, a 4.0-liter supercharged model tagged the

XJR. Long- and short-wheelbase versions add to the mix.

Engines have over the years been the company's strongest point. Jaguars are more about graceful shapes, supple ride comfort and classic drawing-room-type cabins. The new XJ8 has all those virtues, but its new V8 is also terrific. It's smooth and light and compact. The only downside is fuel consumption, which can be worryingly inordinate if pushed. The German-built ZF automatic transmission is smooth enough, if not quite as quick-shifting and seamless as the better BMW or Mercedes engine-transmission combinations.

The ride quality is outstanding, and the handling is surprisingly assured, too, considering the car's bulk. The steering is still too vague, and the car still heaves a little when driven briskly on undulating roads. But it's better than before.

The cabin is revised, and all the better for it. Rear-seat room is still cramped in the normal wheelbase versions, fine if you plump for the long-wheelbase models. The trunk is tiny and badly shaped. It's much more impressive up front, where the dashboard has a deeper plank of walnut veneer to ram home the old Edwardian drawing-room feel.

THE CAR COLUMN It does feel special. It waits along majestically, cooing you in a driving environment from an earlier and more pampered era. And, with the new engine and Ford-inspired quality updates, it is oodles quiet and fast and well-made, a car that starts to make some practical sense instead of one that purely fuels your passions.

It is still not as practical as Germany's or Japan's best, but that's not why you buy a Jaguar.

• Jaguar XJ8 3.2. About \$55,000. V8 engine, 324hp, 240 bhp at 6,350 rpm. Five-speed automatic transmission. rear-wheel drive. Maximum speed: 215 kph (133 mph). Acceleration: 0-100 kph in 7.7 seconds. Average fuel consumption: 13.6 liters/100km.

Next: New Volkswagen Beetle.

Gavin Green is the editor in chief of Car magazine.

ARTS GUIDE

AUSTRIA

VIENNA 20er Haus, tel: (1) 799-6900, closed Mondays. To March 15: "Two Avant-Garde Positions from France: Jean Jacques Lebel, The Situationist International 1957-1972." Paintings, drawings, collages, videos, and musical scores of happenings and actions performed between 1951 and today bear witness to the French artist's importance in European art. Kunsthistorisches Museum, tel: (1) 525-24403, closed Mondays. To April 14: "Bruegel: Tradition and Fortschritt." The exhibition brings together 12 paintings by Pieter Bruegel the Elder and approximately 20 works on paper and 200 paintings by his two sons, Jan Bruegel the Elder (1568-1625) was a painter of flowers and still-life, while Pieter Bruegel the Younger (1564-1637) copied his father's work thus making it familiar to a wider public.

BELGIUM

Ghent De Vlaamse Opera, tel: (9) 225-24-25. Handel's "Semele." Conducted by Robert Carlen, directed by Mark Minkowski, with Rosemary Joshua and Charles Workman. Feb. 8, 11, 15, 17 and 19. The work will be performed in Antwerp, tel: (3) 233-08-85, on Feb. 28 and 29.

BRITAIN

LONDON English National Opera, tel: (171) 632-3300. The company's first production of Donizetti's "Elixir of Love." Conducted by Michael Lloyd, with Barry Banks and Mary Plazas. Feb. 7, 10, 14, 19 and 21. Haywards Gallery, tel: (171) 928-3144, open daily. To April 5: "Herni Carlier-Bresson: Europeans." With more than 180 prints, Carlier-Bresson portrays a changing Europe over half a century, including events such as the coronation of George VI and the Paris riots of 1968, and people from Russian washer-women to Italian priests. Also, to April 5: "Francis Bacon: The Human Body." Brings together paintings from 1945 to the mid-1980s that focus on the human figure, Bacon's central subject. The paintings, both single canvases and triptychs, range from recognizable portraits to bodies wrecked by violent distortion or the smearing of paint.

CANADA

TORONTO Art Gallery of Ontario, tel: (416) 977-0414, closed Mondays and Tuesdays. To May 3: "Julia Margaret Cameron: The Creative Process." Ninety works by the Victorian photographer (1815-1879). Includes studies of personalities of her time, and later work created in Sri Lanka.



Tang Dynasty "Rearing Dragon." in New York.

Quarant'anni." Features works by more than 70 contemporary Italian artists, such as Adamo, Zoran Music and Mimmo Paladino.

NAPLES Teatro di San Carlo, tel: (81) 79-72-301. Verdi's "Macbeth." Directed by Hugo De Ana, conducted by Gianluigi Gelmetti, with Michela Petrucci/Renee Fleming/Darina Takova, Giuseppe Sabbatini/Marcello Giordani and Sonia Ganassi/Daniela Barcellona. Feb. 10, 13, 15, 18, 21 and 24.

MONTE-CARLO Opera de Monte-Carlo, tel: (377) 92-16-22-89. "Tristan und Isolde." Directed by Dieter Kaegi, conducted by Guenter Neuhoff, with Heinz Kruse and Karen Hufstodt. Feb. 9, 12 and 15.

NETHERLANDS Rotterdam Kunsthall, tel: (10) 44-00-321. Royal Academy, London. Feb. 8: "New Art from Denmark and Scandinavia." Louisiana Museum of Modern Art, Humlebeek. Feb. 8: "King of the World: A Mughal Manuscript from the Royal Library, Windsor Castle" and "Jackson Pollock: Sketchbooks and Drawings." Metropolitan Museum of Art, New York.

CLOSING SOON Feb. 8: "Victorian Fairy Painting." Royal Academy, London. Feb. 8: "New Art from Denmark and Scandinavia." Louisiana Museum of Modern Art, Humlebeek. Feb. 8: "King of the World: A Mughal Manuscript from the Royal Library, Windsor Castle" and "Jackson Pollock: Sketchbooks and Drawings." Metropolitan Museum of Art, New York.

SPAIN

BARCELONA Fundacio Joan Miro, tel: (3) 329-1908, closed Mondays. To March 15: "Liza Lou: The Backyard." The American artist (born 1969) presents an installation that reproduces the typical American garden, and is made of millions of colored beads.

VALENCIA IV AM Centre Julio Gonzalez, (6) 386-3000, closed Mondays. To May 5: "Mexicana: Fotografia Moderna en Mexico, 1923-1940." Photographs by Mexican and foreign artists, such as Manuel Alvarez Bravo, Anton Bruha, Carlier-Bresson. The works date back to the arrival of Edward Weston and Tina Modotti in 1923 and end in 1940, the year of the international Surrealist exhibition promoted by Andre Breton.

UNITED STATES

NEW ORLEANS Museum of Art, tel: (504) 488-2831, closed Mondays. To April 11: "Sacred Arts of Haitian Vodou." Explores the arts produced within the Afro-Caribbean religion with flags, dolls, musical instruments, medicine packets and paintings.

NEW YORK Cooper-Hewitt National Design Museum, tel: (212) 860-8894, closed Mondays. To April 12: "The Jewels of Laique." Rene Laique (1860-1946) used all the goldsmith's techniques to design art nouveau jewelry that epitomized an era. The exhibition focuses on the jewelry and on his first works in glass before World War I.

SOLIMON R. GUGGENHEIM MUSEUM, tel: (212) 423-2840, closed Thursdays. To June 3 and Guggenheim Museum SoHo, tel: (212) 423-3640, closed Mondays and Tuesdays. To May 25: "China: 5,000 Years." Several hundred artworks ranging in date from 3000 B.C. to the modern era: from recently unearthed archaeological discoveries to large-scale stone Buddhist sculpture from 12th and 13th century landscape painting to modern works in oil and woodblock. The modern section explores the 150 years of Chinese art and is shown at the SoHo branch. The joint exhibition will travel to the Guggenheim Museum in Bilbao, Spain in July.

CLOSING SOON Feb. 8: "Victorian Fairy Painting." Royal Academy, London. Feb. 8: "New Art from Denmark and Scandinavia." Louisiana Museum of Modern Art, Humlebeek. Feb. 8: "King of the World: A Mughal Manuscript from the Royal Library, Windsor Castle" and "Jackson Pollock: Sketchbooks and Drawings." Metropolitan Museum of Art, New York.

MACHINE BEAUTY: Elegance and the Heart of Technology

By David Gelernter. Illustrated. 166 pages. \$20. The Master Minds Series/Basic Books/Perseus Books LLC.

Reviewed by Christopher Lehmann-Haupt

BEAUTY as a subject is so complexly open-ended that one quails at the prospect of an entire book devoted to it, even one as slim and limited in its scope as David Gelernter's highly instructive "Machine Beauty: Elegance and the Heart of Technology."

Yet Gelernter, who teaches computer science at Yale, simplifies matters considerably by opening his book with the statement, "The sense of beauty is a tuning fork in the brain that hums when we stumble on something beautiful." He cuts quickly to the heart of his subject by defining the "beauty of a proof or machine" as "a happy marriage of simplicity and power — power meaning the ability to accomplish a wide range of tasks, get a lot done." Nor will many readers argue with his conclusion that a beautifully designed machine, like the Hoover Dam or Henry Dreyfus's 1937 telephone, creates an illusion of "inevitability," or "the impression that you are looking at the pure visual embodiment of science or engineering."

In any case, what Gelernter is really concerned with is not so much beauty in machines as a present crisis of complexity he sees occurring in the writing of computer software. In his view, needless features get added to programs perfectly good as they were (like Microsoft Word's addition of the power to include video clips and voice announcements in one's written documents), and new programs have grown so unwieldy that they have to be "beta tested" or handed out

to expert users "in hopes they will find some of the remaining bugs," a policy Gelernter compares to the ancient practice of designating tasters to sample potentially poisonous dishes for potentates.

What brought on this software crisis? Ignorance of beauty on the part of computer programmers, writes Gelernter, which stems from a combination of had training and a pervasive attitude that to be cooed with beauty is somehow irrelevant to the supposedly nonutilitarian demands of technology. "Beautiful technology is unmanly," Gelernter writes ironically: "elegance is sissy."

To illustrate what he calls the "beauty paradox," Gelernter traces the emergence of the Apple Macintosh with its hit-mapped screen display, its icons, its overlapping windows, its double-clicking mouse, its menu bar and its ability to call up files without the user having to accurately type their names. Why didn't this system win out over its rivals, he asks, given the elegance of its design and the way users instinctively grasped its desktop metaphor?

Because it was too elegant, Gelernter argues: "To pay money for elegant technology is to seem uncensored, self-indulgent, and arguably incompetent." And so Microsoft's clunkier DOS prevailed overwhelmingly in the marketplace. And Microsoft ate the cake, too, by developing Windows 95, a variation of the desktop system.

To illustrate machine beauty, Gelernter describes an alternative to the desktop system that was developed by several of his graduate students and himself. Its most obviously appealing feature is that it would allow one to gain access to personal data (correspondence, bank-account balances, telephone-conversation transcripts, writings, journal entries and so forth) from any computer terminal anywhere. Through the use of an "expert data-

base" system and other sophisticated search engines, one could rifle through past, present and future records as if scanning the daily mail. Gelernter doesn't defend this as necessarily the most elegant option. He describes it merely to illustrate that an alternative to the seemingly inevitable desktop system is at least conceivable.

Plenty can be faulted about "Machine Beauty." It has been this reviewer's understanding that a major reason for Microsoft's triumph over the Macintosh was not so much consumers' repugnance with the Macintosh's cuteness as Apple's failure to attract programs as sophisticated as those developed for DOS and, subsequently, Windows.

As for Gelernter's blanket endorsement of aesthetics as a solution to the software crisis he sees, one questions his insistence that absolute standards of beauty have been consistent in all cultures at all times, and no matter what these standards may be, one wonders if any sense of the beautiful can be taught to those who lack it instinctively.

Some of Gelernter's laments about what he calls the dumping down of contemporary America sound like the petulant carping of someone who really doesn't know what is bothering him. And, incidentally, his complaints about the technical shortcomings of the computer mouse seem to ignore the existence of the touchpad, which can be activated merely by sliding your finger over or tapping an electronically sensitive surface.

All the same, "Machine Beauty" describes with impressive clarity the development of a machine that turned out to be useful "for reasons beyond what the inventors originally intended." For anyone still wondering what purposes the personal computer will serve in the future, "Machine Beauty" glimpses some of the ultimate and exciting answers.

New York Times Service

BRIDGE

By Alan Truscott

SAD bridge stories are often extremely funny, unless you are the sufferer. One of the saddest, and funniest, of the decade was reported by Lia Mahmood in his bridge column in The Guardian in Britain. The sufferer in the East seat on the diagrammed deal was a touring professional named Eddie.

Eddie was waiting for his partner to act and was preparing to open one no-trump when his left-hand opponent made that bid, out of turn. West could have accepted this irregular action, but chose not to do so and North was now barred permanently from the bidding.

West and North passed and Eddie now changed his mind about opening one no-trump, and bid one club instead. He wanted his partner to lead clubs if South became declarer.

South now had to guess, and took a wild stab at three no-trump, just what Eddie wanted. He had indicated a club lead, and that would indeed have destroyed the contract. Dummy would have won the third round of clubs and South would have taken a heart finesse. The result would have been down two or three depending on West's next move.

But West was in the grip of two delusions. His partner, he thought, might have bid a three-card club suit. That is an

improbable assumption in normal circumstances and was inconceivable in this context. And he thought that South must be prepared for a club lead.

West led the spade jack, and Eddie gritted his teeth. He took the ace and returned the suit. South won with the king, led the heart ace, and looked happy when the king appeared. South cashed the spade queen and ran the hearts.

He was now up to eight tricks, and when he played the diamond ace and another he had to score two more, the club king and the diamond jack. He had made an over-trick in a game contract that no other player had reached.

Both sides were vulnerable. The bidding: South West North East 3NT Pass Pass 1♣ Pass West led the spade jack.

INTERNATIONAL

ORIGINS: Window on an Ancient Epoch

Continued from Page 1

ually no clear fossil evidence of multicellular plant or animal life from that time period.

The new trove, found in a blanket of rock in southern China called the Doushantuo Formation, dating from 570 million years ago (give or take 20 million years), demonstrates dramatically that the "long and lightless" period known as the Precambrian is no longer beyond the reach of direct scientific investigation, researchers said.

The complexity of the Doushantuo fossils suggests that multicellular life originated much earlier than the 600 million year estimate some researchers have proposed.

According to a research team led by Shuhai Xiao of Harvard — with Andrew Knoll, also of Harvard, and Yun Zhang of Beijing University — the fossils provide "the first direct geological evidence in support of the hypothesis" that the main groups of multicellular organisms "diversified before the emergence of a conspicuous animal fossil record."

The history of life, as written in the fossil record, stretches from molds of microscopic bacteria in rocks almost 4 billion years old through bones of humans formed in ice-age gravel beds a few thousand years ago. But virtually all the major animal body plans seen on Earth today blossomed in a sudden riotous evolutionary springtime that began about 540 million years ago, in what is known as the Cambrian explosion.

Scientists had been confounded in their attempts to study the important period that set the stage for that remarkable flowering, presumably because life at that time was limited to softer packaging: worms, jellyfish and the like, which had no bones or shells to

leave behind as fossils. Researchers say the few impressions and traces of the period found until now — primarily from a group known as the Ediacaran — are so ambiguous that they have produced little more than arguments and confusion.

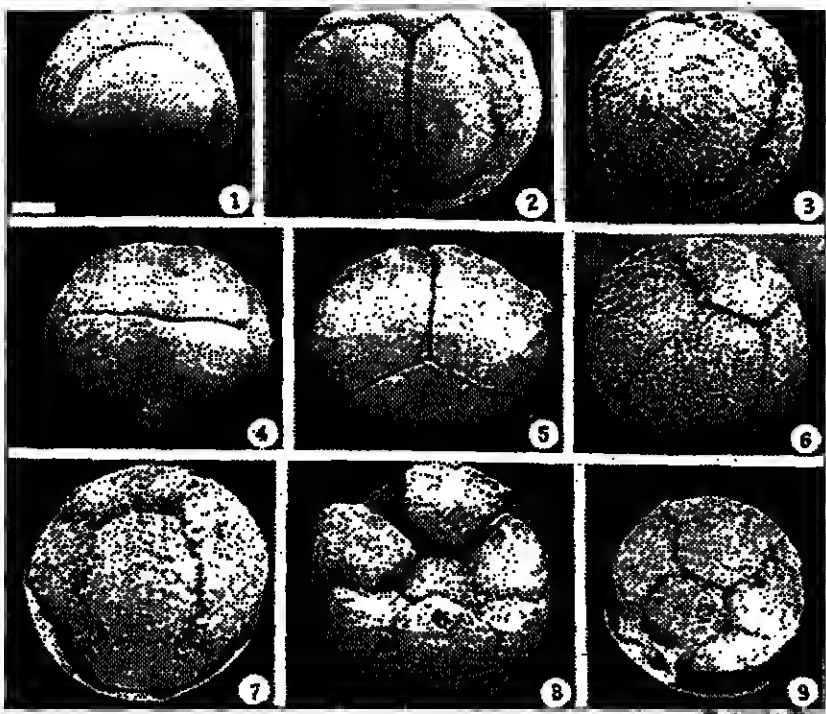
But the Doushantuo discovery, described by two teams of scientists in separate papers being published in this week's issues of the journals *Nature* and *Science*, have "really opened up a new way of looking for an older record of animals," Mr. Knoll said in a telephone interview. "It's as though the fog has lifted."

The key to the preservation is calcium phosphate, the familiar mineral of bones and teeth, known (in powder form) for its faithful replication of delicate tissues. But because it tends to occur in small patches, only fossils of a third of an inch or smaller typically are retained.

The 90-square-kilometer (35-square-mile) Doushantuo deposits provide "a potentially inexhaustible resource for understanding the early evolution of life," concluded the second team of Chia-Wei Li and Tzu-Eu Hua, both of National Tsing Hua University, in Hsinchu, Taiwan, and Jun-Yuan Chen, of the Nanjing Institute of Geology and Palaeontology, in Nanjing.

The embryos may be the earliest known remains of "bilaterians," a more complex group than those of sponges or jellyfish. Bilaterians had developed a head and rear, with near-symmetrical left and right sides. That lineage includes "everything from flatworms to us," Mr. Knoll said.

The researchers noted that it was impossible to say exactly what type of adult animal the embryos would have grown into, and whether the fossils represent most of the life cycle of a microscopic animal, or the embryonic stage of a



A composite view showing some of the fossilized animal embryos at various stages of development: from a single fertilized egg to various multicelled units. The Precambrian fossils are nearly 600 million years old.

much larger animal.

The Doushantuo collection shows that Precambrian algae already had attained many of the anatomical and reproductive features seen in modern marine flora, the researchers said.

Not only do the fossils provide the first convincing glimpse of this crucial period, "but the quality of preservation is almost unheard of, even in much younger fossils," according to Stefan Bengtson, a leading expert on either team. He discusses both teams' work in *Nature*, in an accompanying article.

The preservation "offers insights into

cell-level anatomy, embryological development and life cycles," Mr. Bengtson says. "Such matters have not normally been considered to be open to investigation in fossils."

The Doushantuo fossils were found on the slopes of a mine in central Guizhou Province, about 600 kilometers (370 miles) southwest of the Yangtze Gorges. The workers are mining the phosphate-rich rock for use as fertilizer.

"Yes," Mr. Knoll said, "it's safe to say that some of the greatest fossils in the world are now fertilizer."

ASEAN: Japan's Neighbors Issue Warning

Continued from Page 1

involved in moves to reschedule huge private-sector loans that threaten to cripple trade and business in several of the worst-hit countries, including Indonesia and Thailand.

Mr. Anwar said in an interview with Reuters that in Tokyo next week he would discuss "some other measures that we are planning together" to make sure that the Japanese are "more forthcoming and effective in their program, both nationally in terms of their reform package and also to take a greater lead and responsibility in the region."

Among the measures, analysts said, is a proposal put forward by Singapore under which a group of Indonesia's leading trading partners, including Japan, would agree to guarantee payment for Indonesian imports.

Because of the plunge in the value of the Indonesian currency, the rupiah, and lack of confidence in the Indonesian banking system, foreign banks have stopped accepting letters of credit issued by Indonesian banks. As a result, trade threatens to grind to a halt and with it any hopes Indonesia has of exporting its way back to economic stability.

Mr. Anwar, who held talks with President Suharto in Jakarta on Thursday, said he had already written to the Japanese government expressing the sentiments of ASEAN.

Asked whether he thought Japan was doing enough to help the region, he replied: "I think there is room for improvement, and I think they should be more forthcoming compared to what has happened in the past, although I do certainly welcome their speedy and effective support, particularly for Thailand and Indonesia."

In response to criticism in the West that Japan was not doing nearly enough to help end the economic crisis in Asia, the Japanese deputy minister of finance

for international affairs, Eisuke Sakakibara, said last week that Tokyo was the largest single contributor to the multi-billion-dollar rescue loans for Thailand, Indonesia and South Korea.

But ASEAN remains unconvinced and impatient for faster improvements. Many U.S. officials and economists fear that East Asian nations will try to export their way out of trouble by flooding the American market with cheap goods, undercutting local manufacturers and threatening U.S. jobs.

The parallel fear among many Southeast Asian officials is that unless Japan does more to absorb that flood of goods by stimulating domestic demand and putting its banking system on a stronger footing, the United States, under pressure from protectionist lobbies acting through Congress, will impose curbs on East Asian imports.

Lee Kuan Yew, Singapore's senior minister, said recently in Thailand, that the downturn in Japan's economy had slowed economic growth in East Asia and that if Japan's banks continued to languish, its loans and investments in the region would continue to shrink.

"A strong Japanese economy will help our recovery by boosting our exports," he said. "Japan can do more to stimulate its economy by reducing taxes, like the recent cuts in personal income tax, and by increasing public spending."

Pointedly using the past tense, Mr. Lee said that "as the dynamo of East Asia, Japan had played a key role in our economic development by its trade and investments."

Now "Japan must quickly get its economy back into health," he said. "It must take decisive measures to resolve its banking problems by injecting public funds into the country's banking sector to restore bank capital ratios to international levels. Then Japanese banks can play their role in getting the economy humming again."

them whatsoever at this point — none whatsoever," he said.

According to secretly taped conversations made by Ms. Lewinsky's onetime friend and co-worker, Linda Tripp, Ms. Lewinsky has alleged she had an affair with Mr. Clinton and that he encouraged her to lie about it under oath. Mr. Clinton has repeatedly denied the allegations.

Yet, while the negotiations with Ms. Lewinsky and the White House have stalled, Mr. Starr, a former judge, appears to exude confidence about the evidence he is developing before grand juries in Washington, Little Rock, and Arlington, Virginia.

The extent of the Starr investigation, which originally revolved around real-estate deals in Arkansas, has led some of his detractors to join Mrs. Clinton in questioning his motives. Opinion polls show a majority of Americans believe that Mr. Starr, a moderate Republican, is politically motivated.

When one reporter asked whether his office was "at war" with the White House, Mr. Starr replied: "We are professionals. The law is the law, the law is sacred, facts have integrity, and we're going to do our job."

He added: "The attorney general of the United States gave this office jurisdiction over very serious allegations. Those allegations are possible obstructions of justice, intimidation of witnesses and subornation of perjury. That is an extraordinary set of circumstances. We're investigating those as promptly, as quickly as we can."

At the same time, the president has not backed down from his denials, on which his credibility, possibly even his presidency, might well stand or fall.

Mr. Clinton, who seemed struck by the original charges, drew strength last week from opinion polls showing strong support for the job he was doing, even among many voters who were troubled by his explanation of the Lewinsky allegations.

When reporters asked Thursday about

the scandal, Mr. Clinton repeatedly emphasized that he needed to get back to the nation's business.

Mr. Blair, one of Mr. Clinton's closest political and personal allies, urged Americans to focus on their president's accomplishments.

"You've just got to have some sense of balance and perspective about the issues that really matter to people," he said on ABC-TV.

"You have a president who is doing a superb job, who has huge respect and standing on the international stage," Mr. Blair added. "To me that is what counts."

Mr. Starr said Thursday that his investigation was "moving very quickly, and we have made very significant progress."

On Wednesday, the grand jury in Washington heard from Bayani Nelvis, the chief White House steward, and Kris Engskov, a presidential assistant and friend of Mr. Clinton's since his Arkansas days.

The Washington grand jury also heard on Thursday from another former White House intern, Justin Coleman, who said he had worked in the "immediate office of the president" from August 1997 to January 1998, beginning more than a year after Ms. Lewinsky left the White House but during a period when she allegedly made several visits there.

Mr. Coleman, now a student at Brown University, told reporters, "I at no time had any knowledge of any relationship, proper or improper, between the president and Ms. Lewinsky." Four other witnesses have made similar statements.

Mr. Engskov, who testified Wednesday afternoon, took up his position in December 1997.

News reports have said prosecutors were interested in the nature of Ms. Lewinsky's last visit to the White House, on Dec. 28, after she had been subpoenaed to testify in the Paula Jones sexual harassment suit.

BRIEFLY

U.S. Pledges Food For North Korea

WASHINGTON — The United States will provide 200,000 metric tons of food aid to North Korea, which has suffered a three-year series of crop disasters, in response to a United Nations appeal for humanitarian aid, the State Department said Thursday.

In announcing the decision, the department spokesman, James Rubin, noted that the U.S. contribution would amount to 30 percent of the request by the UN World Food Program. The agency appealed Jan. 6 for 657,972 tons of food aid worth \$378 million. It was the largest appeal by the agency. The aid will be provided in three parcels over a one-year period starting in April, Mr. Rubin said. (Reuters)

Mexican Disparages U.S. Certification

WASHINGTON — Foreign Minister Rosario Green said Wednesday that Mexico rejected the U.S. process of evaluating other nations' efforts to fight drug trafficking.

The White House must report to Congress every year on the anti-drug efforts of about 30 countries involved in producing or trafficking in narcotics.

"I did not come to discuss certification because Mexico does not accept certification," the new foreign minister said in Washington. (Reuters)

New Brain Protein Linked to Disease

WASHINGTON — Researchers said Thursday that they had discovered a new form of a brain protein linked with "mad cow" disease that causes the rare human brain illness Gerst-

mann-Straussler-Scheinker disease. The new version of the protein, known as a prion, is different from the ones believed to cause bovine spongiform encephalopathy, also known as mad cow disease; Creutzfeldt-Jakob mad cow disease; or scrapie in sheep.

In the journal *Science*, Ramanujam Hegde and a team at the University of California at San Francisco wrote that they first found the prion in the brains of mice. (Reuters)

Moi Imposes Curfew In Kenyan Hot Spot

NAIROBI, Kenya — President Daniel arap Moi imposed a night curfew Thursday on all urban centers in parts of the Rift Valley area where more than 100 people have died in ethnic violence since Jan. 11.

The Presidential Press Service said that all businesses in Nakuru district would have to close between 9 P.M. and 6 A.M. and that police would arrest "anyone loitering."

Mr. Moi was quoted as threatening that "businessmen of a certain community," who he said were funding the violent activities, "will have their business licenses reviewed." (Reuters)

A Rio Train Robbery

RIO DE JANEIRO — Thieves ambushed a Brazilian tourist train and robbed 42 foreigners returning from Rio de Janeiro's famed mountain-top stam of Christ the Redeemer, the police said. The tourists, including three dozen teenage exchange students, had cameras and cash stashed, the police said, but no one was injured.

The robbers forced the train to stop by blocking the tracks with branches and rocks. Military police scoured a nearby slum in search of suspects but made no immediate arrests. (Reuters)

ZIMBABWE: Discontent Boils Over

Continued from Page 1

African Regional Institute for Policy Studies.

"This is a series of mutinies," said Morgan Tsvangirai, secretary-general of the 300,000-member Zimbabwe Congress of Trade Unions, which called the one-day strike in December and has threatened to do it again.

In response to the riots, the government ordered the removal of price controls on foodstuffs. It had acted similarly in response to the December labor strike, when it withdrew a new wage levy. Mr. Mugabe also has established a ministerial commission to look into price levels, the crash of the currency, market competition and ways of creating jobs. Unemployment is 50 percent.

The government has also assured international lenders that it will reduce state spending and privatize state assets. It will also try to restore confidence in the national currency, the Zimbabwe dollar, which lost 75 percent of its value against the U.S. dollar on one day in November, and try to rebuild the foreign reserves, which were so depleted that the government had trouble covering import costs late last year.

The International Monetary Fund said last week that it might soon approve \$176 million in balance-of-payments support to ease the crisis and help promote reforms. But the government has promised reform before, then abruptly shifted course for political expediency.

The current crisis stems from the domino effect of a series of economic calamities set in motion by corruption charges last year, beginning in March. Faced with allegations that Mr. Mugabe's ministers and other high officials had looted a disability fund for veterans of the liberation war, the government suspended payments while it investigated who got the money and why.

A cabinet minister admitted that she received thousands of dollars she should

not have from the fund. Veterans protested the suspension.

To quiet the 50,000 veterans eligible for compensation, Mr. Mugabe promised them lump sums totaling \$260 million. But the funds came from a national budget deeply in debt and in which no provision had been made for an imminent payout. Investors got jittery and the stock exchange began to flutter.

Then, it was revealed that foreign reserves were so low that imports could barely be covered for November and December. In response, the currency dropped like an anchor. Meanwhile, in a move a Western diplomat described as a "political diversion," Mr. Mugabe declared that his government would make good on its promise to acquire land for the rural poor by expropriating land of underutilized commercial farms, most of which are owned by whites.

With the announcement of the land plan, the economy shook further, since agriculture accounts for 40 percent of exports and fueled Zimbabwe's estimated 6 percent economic growth last year.

At the same time, Mr. Mugabe's cabinet, over the protests of Parliament, imposed a levy on workers' salaries and ordered more price increases on consumer goods to cover the veterans' payout. This awakened the wrath of labor, which mounted its December strike.

U.S. Urges Land Fairness

The U.S. government urged Zimbabwe on Thursday to ensure transparency and fairness in its plans to redistribute land to the country's black majority. Reuters reported from Harare.

The U.S. ambassador to Zimbabwe, Tom MacDonald, told local American investors to help him deliver a consistent message to Mr. Mugabe's government: "In particular, it must address questions of sustained economic reform, the opening up of the political system, the implementation of a transparent and fair land reform program and deficit reduction."

GERMANY: The Jobless Take to Streets

Continued from Page 1

figure — that ordinary Germans, the German media and political opponents depict as evidence that Mr. Kohl's government is not addressing the issue, despite the government's announcement of a job-creation package this week.

"Kohl out," chanted about 2,000 protesters in Berlin who marched to the Brandenburg Gate in icy weather. Elsewhere, in smaller demonstrations, knots of jobless Germans arrived at unemployment offices clutching sleeping bags as symbolic threats that they planned to occupy the offices until they were offered a job.

Overall, the organizers said, about 40,000 people protested, far fewer than they had expected for the country's first attempt since the 1960s to stage mass protests over unemployment.

Independent estimates put the number still lower, at around 10,000, a figure ascribed to a reluctance among some Germans to publicly acknowledge that they are unemployed and to the relative painlessness of unemployment in Germany. This country's jobless receive much more generous benefits than those in France, with minimum payments starting at the equivalent of more than \$600 a month.

There were no initial reports of violence or confrontation with the authorities, apart from the detention of three marchers who allegedly threw snowballs at police officers in Berlin.

In some parts of Germany, some people sought more innovative protests such as doing out cabbage soup — intended both as a play on words (Mr.

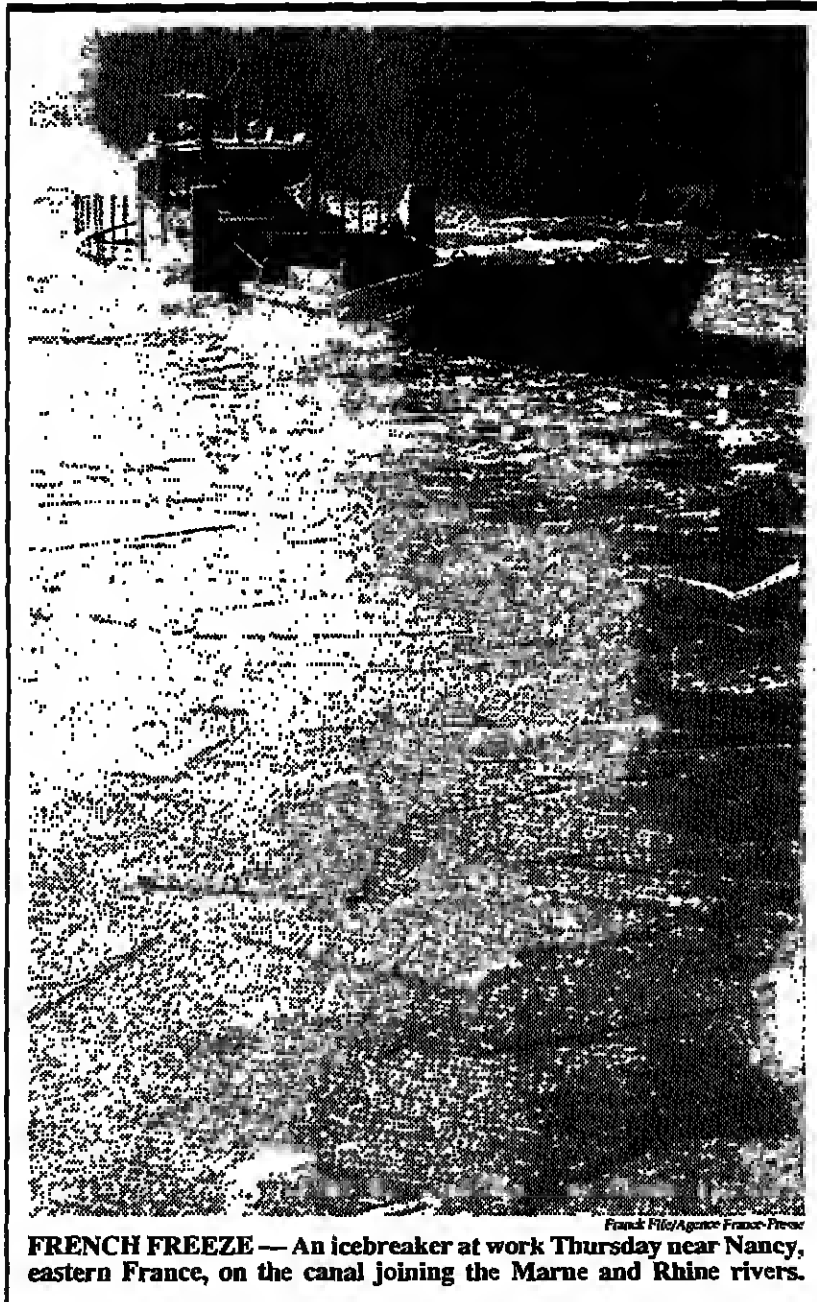
Kohl's surname translates, literally, as cabbage) and as a reminder of the immediate postwar years, before the country's "economic miracle," when cabbage soup on the table was as good as it got for many Germans.

The demonstrations represented a further indication of Europe's malaise over unemployment when many German companies are reacting to the high cost of labor by exporting jobs to countries where workers are paid less, including the United States. German workers are among the world's most expensive, in part because of high wage levels and in part because employers are obliged to contribute to huge state social security, health and pension plans.

The latest jobless figures brought the number of unemployed perilously close to what many Germans see as a psychologically significant level of 5 million, which recalls for many the mass unemployment that preceded Hitler's rise to power in 1933.

The official figures, moreover, do not include Germans in state-financed make-work jobs — employed, for example, by local authorities to sweep leafless streets and perform other small tasks — and other categories of unemployed that do not show up in the official statistics. If those people were included, many economists say, the real figure would already far exceed 5 million.

Protesters said they would stage similar demonstrations every month until scheduled national elections in September, when Mr. Kohl is to be seeking an unprecedented fifth term in office and unemployment seems certain to be a central issue.



FRENCH FREEZE — An icebreaker at work Thursday near Nancy, eastern France, on the canal joining the Marne and Rhine rivers.

CLINTON: Independent Counsel Issues His Strongest Defense of Investigation to Date

Continued from Page 1

yet again about his relationship with Ms. Lewinsky.

His response seemed to vary little from his earlier denials, though he had not previously referred to the "legal" charges or allegations. It was not clear whether that change was intentional. A sexual relationship with Ms. Lewinsky would not have violated any law.

The president on Thursday left the door open to the possibility that the White House might invoke presidential privilege to protect testimony by some top aides, a move that could lead to a quick confrontation with Mr. Starr.

One of the aides over whose possible testimony White House lawyers have expressed concern, the deputy chief of staff, John Podesta, appeared before the grand jury Thursday.

The question of invoking presidential privilege, normally used to protect diplomatically or militarily sensitive matters, has not been resolved by White House attorneys, Mr. Clinton said.

"Should it arise," he added, "I will await a recommendation from the White House counsel."

Mr. Starr conceded separately that executive privilege was "a recognized constitutional privilege," but made it clear that he would view such a White House position dimly if he thought there was an attempt to "prevent the grand jury from getting specific information."

"We want the truth," Mr. Starr said. "We want all the truth. We want it complete, accurate. And we will satisfy ourselves that we are getting it, and that is the absolute bedrock here."

Mr. Clinton's lawyers had sought to persuade the independent counsel's office to narrow the questioning of Mr. Podesta and other close presidential advisers, including the White House deputy counsel Bruce Lindsey.

But Mr. Starr's office, according to The Associated Press, sent a letter Wednesday to the White House counsel,

Charles Ruff, that left the president's lawyers convinced there was no room to seek compromise.

Prosecutors reportedly want a chance to interview Ms. Lewinsky in person to clear up the alleged contradictions. She is in California visiting her father, and her attorney, William Ginsburg, said she would not return to Washington before next week.

Even as Mr. Starr's office was standing firm in the talks with White House attorneys, Mr. Starr appeared to toughen his stance with Ms. Lewinsky's attorneys. Mr. Starr's office reportedly set a deadline of noon on Friday for Ms. Lewinsky's lawyers to indicate whether she would talk with prosecutors, although on Thursday, Mr. Starr said that there was no such deadline.

In Los Angeles, Mr. Ginsburg dismissed the talk of a deadline but added that negotiations were at a standstill.

"We are not in any discussions with



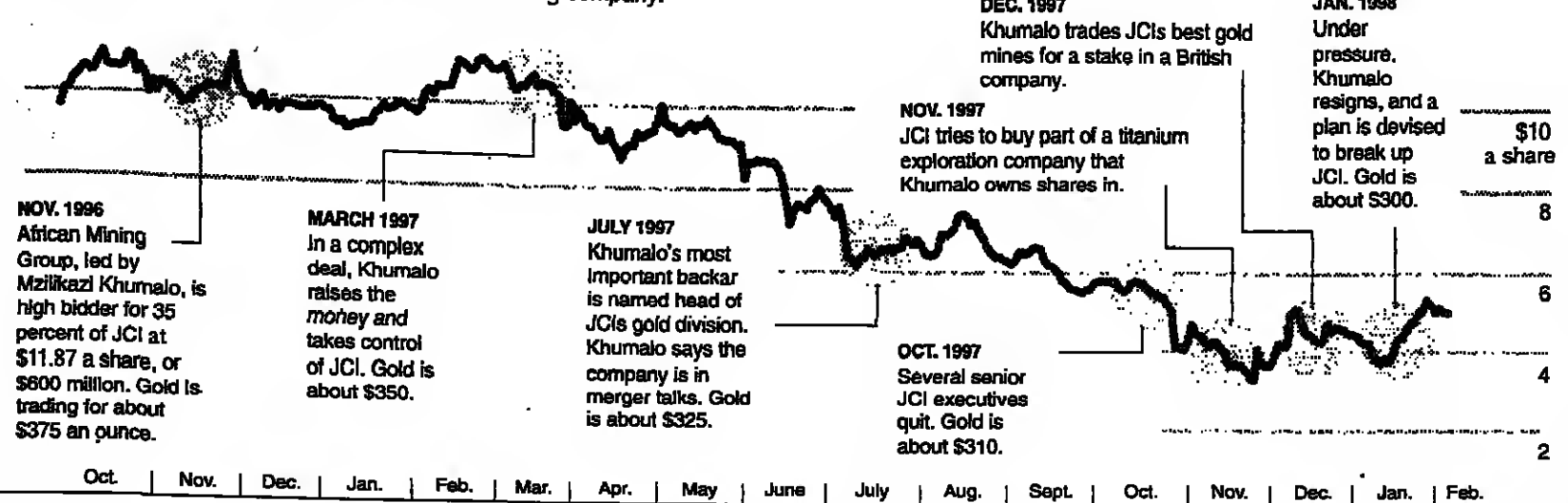
Kenneth Starr in Arkansas on Thursday: "We want the truth."

FRIDAY, FEBRUARY 6, 1998

PAGE 13

A Golden Dream Dashed

Daily closing stock price of JCI, a South African mining company.



2 Legendary Figures Bracket Stormy Story of JCI

By Donald G. McNeil Jr.
New York Times Service

JOHANNESBURG — Barney Barnato and Mzikazi Khumalo never knew each other. Mr. Barnato died in 1897, and Mr. Khumalo was not born until 1955. But the two men who bracket the history of JCI Ltd. — the mining house that Mr. Barnato created and Mr. Khumalo is tearing apart — both have the status of legends in South African business.

Mr. Khumalo, a former political prisoner, has not been around long enough to rival Mr. Barnato in the history books, but his entry was impressive. His story thus far, though, is a cautionary one for black entrepreneurs seeking a

place in South African business, in whose white-dominated soul the forces of profit, arrogance, secrecy, public interest and guilt all do battle.

A plan to break up the venerable 100-year-old company, also known as Johannesburg Consolidated Investment, scattering its gold, coal and chrome mines among local and European buyers, was presented to shareholders last week. A total sell-off in the next six months may still be derailed by reluctant shareholders, but the company is already a shell of its former self, plagued by debt, low morale and resignations.

Last March, when a consortium of investors headed by Mr. Khumalo bought the 35 percent interest owned by Anglo American Corp. and he was named ex-

ecutive chairman, JCI instantly became a potent symbol — the first mining house controlled by black shareholders.

Mining is the historic core of South Africa's wealth, built on the backs of poorly paid black men who lived beside shafts far from their home villages, to which they could be deported at the first sign of labor unrest. This formula, in fact, underwrote apartheid as an economic necessity long before it was articulated as a philosophy by Afrikaner nationalists.

On Jan. 28, saying he had "no desire to preside over JCI's liquidation," Mr. Khumalo, 42, resigned as chairman, anticipating his likely ouster the next day. In November, he had been forced to step down as executive chairman after spending \$50 million, without asking

the board, for part of a fledgling titanium mining company in which he had a large interest. Last week, shareholders voted to back out of that deal.

In recent weeks, some here have portrayed him as an "African Icarus," a heroic black entrepreneur who fell victim to the machinations of white executives, while others see him as a traitor to black aspirations who took on more than he could handle while acting as a front man for wealthy white friends.

Mr. Khumalo has blamed divisions in the JCI board for his downfall — a downfall that seemed to accelerate this week with news that another company he founded, Capital Alliance Holdings,

See JCI, Page 17

SAP's Founder and Chief Will Step Down in May

Hopp Plans 'Active Role' on Supervisory Board

By John Schmid
International Herald Tribune

FRANKFURT — Dietmar Hopp will retire as co-chairman of SAP AG in May, 25 years after he quit his job at International Business Machines Corp. and borrowed a computer to co-found what has become Europe's biggest software company.

SAP's surprise announcement Thursday prompted an immediate sell-off on the Frankfurt stock market, with the stock closing down 8.90 Deutsche marks at 675 (\$371.63).

But any drop in investor confidence should prove short-lived, several analysts said. The transition has all the hallmarks of continuity, they said.

When Mr. Hopp steps down as co-chairman of the executive board at the May 7 shareholder meeting, he will ask shareholders to elect him to the chairmanship of the supervisory board.

"I will not be retiring but plan to continue to play an active role in the company," Mr. Hopp said.

With Mr. Hopp putting in full "40-hour-plus workweeks," in the words of a

spokesman, few analysts expect any deviation from the business software strategy that has allowed SAP to expand at fiber-optic speed in recent years. It is unusual in Germany for a supervisory board chairman to work full days because the post typically is held by bankers who have full-time commitments elsewhere.

Henning Steinbrink, an analyst at Schroeder Muenchmeyer Hengst & Co. in Frankfurt, said SAP's management transition began last year when Mr. Hopp began to share the chairmanship with another co-founder, Hasso Plattner, who is often called the company's high-tech "vision man."

Mr. Plattner will stay on as co-chairman. Henning Kagermann, 50, who has served on the executive board since 1981, will replace Mr. Hopp.

"The nomination of Henning Kagermann to chairman of SAP AG is for us a sign of continuity," the company's workers council said in a statement.

After net profit rose 63 percent last year, to 924 million DM, and sales surged 62 percent, to 6 billion DM, the company and analysts have forecast further double-digit growth this year.

More Democrats Support New U.S. Funds for IMF

By Paul Blustein
Washington Post Service

WASHINGTON — The Clinton administration has gained important momentum for its bid to win approval of new U.S. contributions to the International Monetary Fund, as House Democrats voiced broad support for the IMF's rescues of ailing Asian economies.

Many IMF advocates feared that liberal House Democrats would join Republican anti-internationalists and libertarians to block financing for the IMF. But at a closed-door meeting of the House Democratic Caucus on Wednesday, Treasury Secretary Robert Rubin drew an overwhelmingly positive response to his plea for swift passage of legislation to provide new U.S. funding to the IMF, according to people at the meeting.

After the meeting broke up, the House minority leader, Richard Gephardt, who has supported the extra funding, said he expected "a significant majority" of Democrats to vote for the legislation.

The affirmative response from House Democrats indicates that the IMF legislation may move through Congress with less resistance than many observers had expected.

Its passage is by no means assured, however, because it remains entangled in a controversy over abortion, which

torpedoed similar legislation last fall.

The fund has drawn fire from both the left and right for its approach to bailing out such countries as South Korea, Thailand and Indonesia.

The House minority whip, David Bonior of Michigan, has announced his probable opposition to the legislation on the grounds that insufficient attention is being paid to concerns about worker rights in the afflicted countries.

But one of the caucus's most influential liberals, Representative David Obey of Wisconsin, delivered a powerful endorsement of the legislation, which would authorize \$18 billion in U.S. funds to help replenish the IMF's depleted resources, according to people who were at the meeting.

Mr. Obey noted that, while he had fought the administration on other international economic issues such as "fast track" trade negotiating authority, he agreed with the White House view that the crisis threatens American jobs by reducing demand for U.S. exports and by increasing imports from Asia.

In an interview, Mr. Obey declined to comment on what was said at the caucus meeting.

But he said: "If we care about American workers, what we ought to be doing is trying to stabilize these Asian currencies at the highest possible rate, so they do not feel compelled to try to export their unemployment to the United States and eliminate markets for our own products. I think the best way to do that is to move on the IMF as soon as possible."

Still, the legislation faces trouble because of efforts by Republican conservatives to attach language that would deny taxpayer funding to international institutions that lobby for abortion. After failing to reach a compromise on that issue last year, anti-abortion forces are angry over what they consider the administration's inflexible stance.

The speaker of the House, Newt Gingrich, believes that "a long and serious discussion" is in order on the IMF issue, a spokeswoman said.

The administration, eager to rally support for the IMF, sent Mr. Rubin and his deputy, Lawrence Summers, to several meetings and hearings on Capitol Hill on Wednesday.

Mr. Summers pledged that the Treasury would press for changes in IMF operations to make the 182-nation organization more "transparent." The fund has been criticized for refusing to release information about many of its most important decisions, such as the list of economic reforms that financially strapped countries must adopt when they borrow IMF money.

Thinking Ahead / Commentary

The Argument for Giving a Frenchman the Euro Job

By Reginald Dale
International Herald Tribune

WASHINGTON — As the European Union's largest industrial enterprise, Daimler-Benz AG has a huge interest in the future value of Europe's planned single currency, the euro. But the German corporation's executives intend to lose no sleep over the current tussle between France and its EU partners over who should head the planned European central bank — even though the winner will play a key role in influencing the euro's exchange rate.

It is "absolutely irrelevant" in the real world whether the bank's first president will be Jean-Claude Trichet of France or Wim Duisenberg of the Netherlands, a senior company executive remarked in Washington the other day.

That nonchalance partly reflects a widely held, and correct, view that both men are equally qualified to become Europe's most powerful central banker.

But it is also a salutary reminder that the conventional wisdom in the ivory towers of Brussels and other European capitals sometimes is off target.

That wisdom is that the undignified squabbling over the presidency risks damaging the euro's credibility by suggesting that the bank will be subject to meddling by EU member governments, a violation of the total independence guaranteed by the Maastricht treaty.

Specifically, there is concern that a possible compromise, under which first Mr. Duisenberg and then Mr. Trichet would each serve for four years, would violate a treaty provision that the president be appointed for an eight-year term.

But that is a technical problem, not one of substance, that will be quickly forgotten once the president is named and begins to establish the bank's credibility. It is not as if the bank will face a united phalanx of EU governments trying to push it around.

The new president will automatically

benefit from the backing of the EU's most powerful country, Germany, which will insist on the bank's absolute independence. If anything, if there are suspicions that politics have dictated the choice, the president will want to demonstrate even greater toughness in resisting government interference.

It is quite wrong to jump to the conclusion, as many have, that Mr. Trichet, the governor of the Bank of France, would be more inclined to follow the wishes of the French government and be a less vigorous campaigner against inflation than Mr. Duisenberg. On the contrary, Mr. Trichet's record suggests precisely the opposite.

Much of the current concern reflects irritation by other countries that France decided to nominate Mr. Trichet when virtually everyone else (though not Italy) had settled on Mr. Duisenberg, now president of the bank's forerunner, the European Monetary Institute.

But France is perfectly entitled to resist excessive German dominance of

the euro, already symbolized by the bank's location in Frankfurt, in the Bundesbank's backyard. Mr. Duisenberg is an excellent banker, but he is definitely in the Germanic tradition.

In many ways, France's whole approach to the euro makes more sense than Germany's. France is right to insist that the euro zone needs to be managed by a new form of European economic governance, grouping the euro member governments. The French position is in fact consistent with the Bundesbank's long-held view that monetary union implies further steps to political union.

The French mistake lies in suggesting that the new governmental grouping should exercise political control over the bank. That immediately guarantees German opposition. Paris should stick to the case for governmental management of the economic policies of the euro zone, not its monetary policies. That would give greater weight to the good reasons Mr. Trichet should get the job.

For Italian State Broadcaster RAI, a Makeover From the Top

By James Hansen
Special to the Herald Tribune

ROME — Italy's state broadcaster, Radiotelevisione Italiana, or RAI, has been decapitated. Shifting political winds and, above all, collapsing audience figures have led to the removal of its chairman, the entire board and the director-general.

They have been replaced, according to RAI officials, by seasoned industry professionals rather than politically oriented appointees.

"We were governed by people who bragged that they didn't even own a TV set, much less watch television," said Giovanni Minoli, director of RAI's third network. "It's good to have professionals back."

The RAI group comprises three television and several radio networks.

The key figure in the new leadership group will be Pier Luigi Celli, whose appointment as director-general was

confirmed Thursday. Mr. Celli has solid credentials as a manager, particularly in the area of personnel.

He knows RAI well, having served as the company's director of personnel for a stormy 11 months from September 1993 to August 1994, when he was forced out on the heels of a scandal triggered by his crusade against

widespread expense-account fraud. At one point, Mr. Celli audited expense accounts generated by RAI news teams covering the Gulf War, in one well-known instance sending a receipt said to be from a Saudi restaurant out for translation. It turned out to be an Arabic prayer.

"Think of Celli as a nice tough guy," Mr. Minoli said. "He's funny, ironic and knowledgeable — and he's not afraid."

Mr. Celli is also literate, the author of eight books on subjects ranging from managerial treatises to an open letter to

his eldest daughter on her entry into an order of nuns vowed to silence.

Until he was called to RAI, Mr. Celli was chief of personnel for ENEL, the Italian national electrical utility.

His boss there was Franco Tatò, who said about the move: "I am ticked off. Celli is extremely able, but I needed him here. But I do understand. The media business is a fascinating one. Celli has all my best wishes, and he's going to need every one of them."

The task facing Mr. Celli, who declined to comment on his appointment, is a difficult one. RAI has lately been taking a substantial hammering from the private Mediaset networks of Silvio Berlusconi, the former prime minister. The flagship evening news of the RAI first network is for the first time regularly being beaten in the ratings war by the upstart Mediaset Channel 5, and its lead weekend variety show, "Fantastico," was crushed last season by a slick but old-fashioned Mediaset variety show based on a format as old as commercial television.

RAI supporters have seen in these disasters a "crisis of generalist television." A Mediaset spokesman said, "I think it's simpler than that. The public just prefers our programs."

RAI also faces a serious overmanning problem. The broadcaster has more than 10 thousand permanent employees and more than that many again on term contracts — for a total of around 23 thousand employees. Its principal competitor, Mediaset, claims only 4,500 permanent employees.

Finally, as if the problems of day-to-day management were not enough, RAI is getting ready to change its skin. The government will shortly present to Parliament a proposed law to reform broadcasting in the country. It is expected to call for the partial privatization of RAI and may also contain provisions re-



Media Markets

quiring the third network of RAI to shed all advertising and operate as a purely public service.

Giovanna Melandri, a parliamentarian and responsible for broadcasting policy within the Democratic Party of the Left, formerly Communist but now in the government, thinks that may be the greatest challenge facing Mr. Celli and the new board.

The mission of the new leadership of RAI must be that of piloting it toward a project of reform that becomes more urgent with every passing day," she said. "RAI is going to have to become a leaner and more effective organization, free from the control of political parties."

Words like "lean" and "reform" concern RAI employees, who are inclined to describe Mr. Celli's return as "Celli II — The Vendetta" and then not laugh much about their joke.

But ENEL's Mr. Tatò said, "Vendetta? That's not Celli's style at all. He just wants to get the job done."

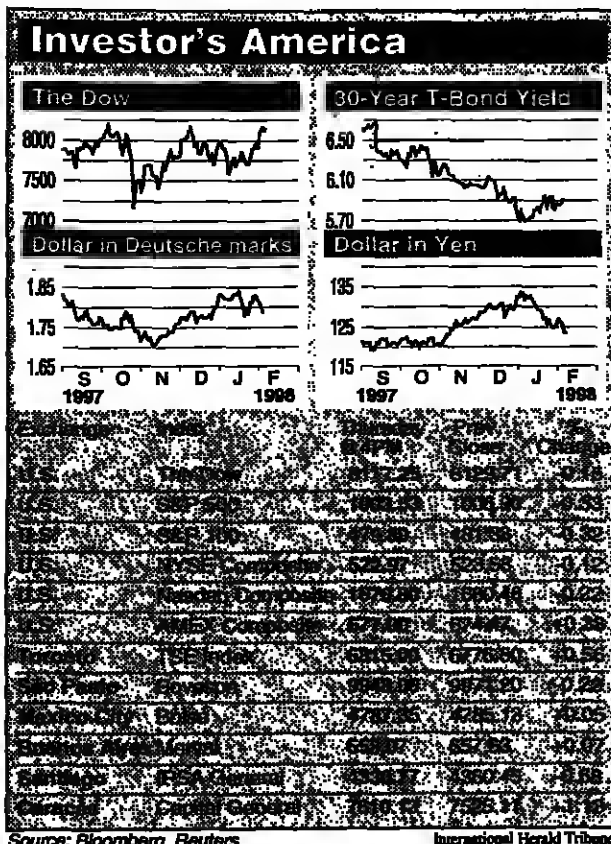
CURRENCY & INTEREST RATES

Cross Rates									
	USD	EUR	GBP	JPY	AUD	NZD	HKD	TWD	SGD
Australia	0.6959	1.3322	0.6341	103.87	0.8911	0.5141	7.7514	133.75	1.3541
Canada	0.7141	1.3822	0.6541	105.87	0.9111	0.5241	7.8514	135.75	1.3741
France	1.3661	1.3322	0.6341	103.87	0.8911	0.5141	7.7514	133.75	1.3541
Germany	1.3661	1.3322	0.6341	103.87	0.8911	0.5141	7.7514	133.75	1.3541
Italy	1.3661	1.3322	0.6341	103.87	0.8911	0.5141	7.7514	133.75	1.3541
Japan	103.87	103.87	103.87	103.87	103.87	103.87	103.87	103.87	103.87
UK	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341
US Dollar Values									
Argentine peso	0.00999	0.00999	0.00999	0.00999	0.00999	0.00999	0.00999	0.00999	0.00999
Australian \$	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959
British pound	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341
Canadian dollar	0.7141	0.7141	0.7141	0.7141	0.7141	0.7141	0.7141	0.7141	0.7141
Chinese yuan	0.1564	0.1564	0.1564	0.1564	0.1564	0.1564	0.1564	0.1564	0.1564
Czech koruna	0.02036	0.02036	0.02036	0.02036	0.02036	0.02036	0.02036	0.02036	0.02036
Danish krone	0.00466	0.00466	0.00466	0.00466	0.00466	0.00466	0.00466	0.00466	0.00466
East German mark	0.00200	0.00200	0.00200	0.00200	0.00200	0.00200	0.00200	0.00200	0.00200
Fin. mark	0.00646	0.00646	0.00646	0.00646	0.00646	0.00646	0.00646	0.00646	0.00646
Forward Rates									
30-day	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489
60-day	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489
90-day	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489	1.4489
Libor-Libor Rates									
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Key Money Rates									
US Dollar	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959
British pound	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341	0.6341
Japanese yen	103.87	103.87	103.87	103.87	103.87	103.87	103.87	103.87	103.87
Australian dollar	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959	0.6959
Canadian dollar	0.7141	0.7141	0.7141	0.7141	0.7141	0.7141	0.7141	0.7141	0.7141
Chinese yuan	0.1564	0.1564	0.1564	0.1564	0.1564	0.1564	0.1564	0.1564	0.1564
Czech koruna	0.02036	0.02036	0.02036	0.02036	0.02036	0.02036	0.02036	0.02036	0.02036
Danish krone	0.00466	0.00466	0.00466	0.00466	0.00466	0.00466	0.00466	0.00466	0.00466
East German mark	0.00200	0.00200	0.00200	0.00200	0.00200	0.00200	0.00200	0.00200	0.00200
Fin. mark	0.00646	0.00646	0.00646	0.00646	0.00646	0.00646	0.00646	0.00646	0.00646



MONEY TALKS — Prime Minister Mahathir bin Mohamad, left, being welcomed Thursday to Bangkok by his Thai counterpart, Chuan Leekpai. Mr. Mahathir was to push for more use of regional currencies in trade.

THE AMERICAS



Source: Bloomberg, Reuters

International Herald Tribune

Very briefly:

Glendale Federal Bank is buying California Federal Bank's parent company, Golden State Bancorp Inc., to form the third-largest U.S. savings and loan. The bank, which will be controlled by the holding company of the financier Ronald Perleman, will be based in San Francisco and have more than 400 branches with \$51 billion in assets.

U.S. retailers' same-store sales rose a larger-than-expected 5.9 percent in January, lifted by specialty clothing stores that had major post-holiday clearance promotions.

MCJ Communications Corp. put on hold plans for \$900 million in additional investment in Avanti SA, its Mexican long-distance joint venture with Grupo Financiero Banamex Actival SA.

MCJ is offering residential phone customers unlimited Internet use for \$14.95 a month, 25 percent less than its traditional plan, making the company to the lowest-priced nationwide Internet provider in the United States.

Silver prices soared for a fifth day to their highest price level since July 1988 amid a shortage of available supply that has pushed up rates charged to lease the precious metal to a record 65 percent from 2 percent a year ago. Warren Buffett said this week that his investment company, Berkshire Hathaway Inc., had bought 129.7 million ounces of silver.

Sengram Co. reported that it had sold more than half of its sizable stake in Time Warner Inc.

Hasbro Inc.'s fourth-quarter net profit fell 81 percent from a year earlier, to \$18.9 million, largely because of a \$140 million restructuring charge at the No. 2 U.S. toymaker. Sales rose to \$1.13 billion from \$1.11 billion. Hasbro is eliminating 2,500 jobs, or 20 percent of its worldwide work force.

Microsoft Corp. needs tough antitrust enforcement to make sure it does not leverage its control of the personal computer operating system to establish a "proprietary Internet," according to the chairman of the Senate Judiciary Committee, Orrin Hatch of Utah.

AP, Bloomberg, Reuters

'Ashamed' Astra Settles Sex Suit

U.S. Unit to Pay Record Amount for Mistreating Women

The Associated Press

BOSTON — In the largest agreement yet of its kind, the U.S. subsidiary of the Swedish pharmaceutical company Astra AB agreed Thursday to pay nearly \$10 million to settle claims by former employees that they had been sexually harassed.

Astra admitted it had permitted a hostile working environment for female employees at its U.S. headquarters in Westboro, Massachusetts, the company and the Equal Employment Opportunity Commission said.

The \$9.85 million payment represents the largest settlement for sexual harassment negotiated by the commission. The money will

go to 80 current and former workers, more if others come forward later, officials said. One of the 80 is a man who said he had been punished for speaking out against the way the women were treated.

"As a company, we are ashamed of the unacceptable behavior that took place," Astra USA's new president, Ivan Rowley, said.

The company admitted that female employees had been asked for sexual favors in exchange for favorable treatment on the job.

The company has sued its former U.S. chief executive, Lars Bildman, for \$15 million. In an agreement with prosecutors, Mr. Bildman pleaded guilty last week to a tax charge and will be sentenced to 21 months in prison.

In its suit against Mr. Bildman, Astra said it planned to recover costs related to the commission's investigation.

Mr. Bildman ran the American operations of Astra AB before he was fired in 1996 amid allegations that he had spent company cash on home repairs, family vacations and high-priced prostitutes.

Mr. Bildman was accused of replacing mothers and older women employees with beautiful single young women who were then pressured into having sex.

Former employees said Mr. Bildman had demanded that eight hours of work be followed by eight hours of drinking and partying.

German Jobless Report Spurs Mark

Bloomberg News

NEW YORK — The dollar fell against other major currencies Thursday, especially the Deutsche mark, as investors focused on a drop in Germany's seasonally adjusted jobless figure.

Germany's Federal Labor Office said the number of unemployed declined by a seasonally adjusted 72,000 in January, fueling speculation that the country's economic outlook may be improving.

If seasonal factors are eliminated, however, the number of jobless rose 301,600 to a postwar record 4.8 million.

Still, combined with expectations that the U.S. economy may slow, the number was enough to lure many currency traders to marks. Some took it as a sign German interest rates may head higher in coming months.

"The data in Germany doesn't show the weakness that the market anticipated," said Seth Cohen, head of currency sales at Union Bank of Switzerland. "That's caused some movement into marks."

The dollar fell to 1.7870 DM in 4 P.M. trading from 1.8000 DM Wednesday, to 5.9830 French francs from 6.0370 francs and to 1.4433 Swiss francs from 1.4510 francs. It was steady at 123.555 yen. The pound slipped to \$1.6543 from \$1.6567.

The yen was underpinned by expectations that Japan's government will move aggressively to jumpstart the faltering economy. On Friday, Japan's Parliament is expected to approve measures to bail out its debt-strapped banks. On Wednesday, the legislative body cleared the way for a tax cut and for public-works spending.

NYSE Approves a Shutdown Plan

Bloomberg News

WASHINGTON — The New York Stock Exchange's board approved a circuit-breaker plan Thursday that would keep exchanges open in all but the most extreme market plunges.

The proposal was developed by the Big Board's staff in response to concerns by government regulators that an earlier plan would have closed markets unnecessarily during steep stock market declines.

The proposal, which must be approved by the Securities and Exchange Commission, would close U.S. trading for the rest of the day only when the Dow Jones industrial average fell 20 percent after 2 P.M. New York time or 30 percent at any point. The rule also calls for markets to close for an hour if the average falls 10 percent before 2 P.M.

Trading would stop for 30 minutes if the index dropped by 10 percent between 2 P.M. and 2:30 P.M., and it would not be halted at all if the 10 percent threshold were crossed after 2:30 P.M.

Such measures are designed to give market participants a breather in an effort to avoid panic trading.

Thursday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press

Stock	High	Low	Open	Close
IBM	118 1/8	117 3/4	117 3/4	118 1/8
Microsoft	27 1/2	27 1/4	27 1/4	27 1/2
Apple	34 1/2	34 1/4	34 1/4	34 1/2
Oracle	21 1/2	21 1/4	21 1/4	21 1/2
Amazon	11 1/2	11 1/4	11 1/4	11 1/2
Yahoo	10 1/2	10 1/4	10 1/4	10 1/2
Google	19 1/2	19 1/4	19 1/4	19 1/2
Alibaba	15 1/2	15 1/4	15 1/4	15 1/2
Facebook	12 1/2	12 1/4	12 1/4	12 1/2
Twitter	9 1/2	9 1/4	9 1/4	9 1/2
LinkedIn	8 1/2	8 1/4	8 1/4	8 1/2
Slack	7 1/2	7 1/4	7 1/4	7 1/2
Dropbox	6 1/2	6 1/4	6 1/4	6 1/2
Box	5 1/2	5 1/4	5 1/4	5 1/2
Evernote	4 1/2	4 1/4	4 1/4	4 1/2
OneDrive	3 1/2	3 1/4	3 1/4	3 1/2
SharePoint	2 1/2	2 1/4	2 1/4	2 1/2
Outlook	1 1/2	1 1/4	1 1/4	1 1/2
Word	1 1/2	1 1/4	1 1/4	1 1/2
Excel	1 1/2	1 1/4	1 1/4	1 1/2
PowerPoint	1 1/2	1 1/4	1 1/4	1 1/2
Access	1 1/2	1 1/4	1 1/4	1 1/2
Visual Basic	1 1/2	1 1/4	1 1/4	1 1/2
VBScript	1 1/2	1 1/4	1 1/4	1 1/2
ASP	1 1/2	1 1/4	1 1/4	1 1/2
ASP.NET	1 1/2	1 1/4	1 1/4	1 1/2
ASPX	1 1/2	1 1/4	1 1/4	1 1/2
ASAX	1 1/2	1 1/4	1 1/4	1 1/2
ASMX	1 1/2	1 1/4	1 1/4	1 1/2
ASMX2	1 1/2	1 1/4	1 1/4	1 1/2
ASMX3	1 1/2	1 1/4	1 1/4	1 1/2
ASMX4	1 1/2	1 1/4	1 1/4	1 1/2
ASMX5	1 1/2	1 1/4	1 1/4	1 1/2
ASMX6	1 1/2	1 1/4	1 1/4	1 1/2
ASMX7	1 1/2	1 1/4	1 1/4	1 1/2
ASMX8	1 1/2	1 1/4	1 1/4	1 1/2
ASMX9	1 1/2	1 1/4	1 1/4	1 1/2
ASMX10	1 1/2	1 1/4	1 1/4	1 1/2

Wall Street Stumbles On Jitters Over Iraq

Compiled by Our Staff From Dispatches

NEW YORK — Stocks finished mixed Thursday, with key indexes pressured by worries about tensions between the United States and Iraq and U.S. employment data for January, which will be released Friday.

The Dow Jones industrial average closed 12.46 points lower at 8,117.25, and the Standard & Poor's 500 index fell 3.37 to 1,003.53.

Bot gaining issues outnumbered losing ones by a 4-to-3 ratio on the New York Stock Exchange.

The price of the benchmark 30-year Treasury bond fell 30/32 point

concern that the company's inventory of modems and computer-networking systems may be building because of a slowdown in sales.

Micro Technology fell 3 1/16 to 34 15/16 after Brown Brothers Harriman & Co. told investors to avoid stock in the maker of computer memory chips.

Kmart rose 9/16 to 12 3/4 after the retailer reported strong sales for January. (Reuters, Bloomberg, AP)

Netscape Stock Rises Amid Talk of Merger

Bloomberg News

MOUNTAIN VIEW, California — Netscape Communications Corp.'s stock rose \$2.75 to close at \$22 Thursday amid speculation that the unprofitable Internet software maker's discussions with several companies would lead to a merger or acquisition.

Netscape has been in talks with International Business Machines Corp., Sun Microsystems Inc., Oracle Corp. and America Online Inc., people familiar with the discussions said. The talks have gone on for over a year and intensified as Netscape lost market share to Microsoft Corp. "Netscape is desperate," said Keith Bejamine, an analyst at BancAmerica Robertsons Stephens who has a "buy" rating on America Online. Netscape last week said it had a fourth-quarter loss of \$20.8 million, or 22 cents a share, before charges, compared with net income of \$8.16 million, or 9 cents a share, a year earlier.

"The Asian fears were overblown," said Tony Dwyer at Ladenburg, Thalmann & Co. "Those portfolio managers that got out of the market because of fears over Asia have to get back into the market." Compag Computer was the most actively traded issue, rising 3/4 to 35 1/4. But 3Com fell 2 1/16 to 32 3/4 amid

AMEX

Stock	High	Low	Open	Close
AMEX	118 1/8	117 3/4	117 3/4	118 1/8
Microsoft	27 1/2	27 1/4	27 1/4	27 1/2
Apple	34 1/2	34 1/4	34 1/4	34 1/2
Oracle	21 1/2	21 1/4	21 1/4	21 1/2
Amazon	11 1/2	11 1/4	11 1/4	11 1/2
Yahoo	10 1/2	10 1/4	10 1/4	10 1/2
Google	19 1/2	19 1/4	19 1/4	19 1/2
Alibaba	15 1/2	15 1/4	15 1/4	15 1/2
Facebook	12 1/2	12 1/4	12 1/4	12 1/2
Twitter	9 1/2	9 1/4	9 1/4	9 1/2
LinkedIn	8 1/2	8 1/4	8 1/4	8 1/2
Slack	7 1/2	7 1/4	7 1/4	7 1/2
Dropbox	6 1/2	6 1/4	6 1/4	6 1/2
Box	5 1/2	5 1/4	5 1/4	5 1/2
Evernote	4 1/2	4 1/4	4 1/4	4 1/2
OneDrive	3 1/2	3 1/4	3 1/4	3 1/2
SharePoint	2 1/2	2 1/4	2 1/4	2 1/2
Outlook	1 1/2	1 1/4	1 1/4	1 1/2
Word	1 1/2	1 1/4	1 1/4	1 1/2
Excel	1 1/2	1 1/4	1 1/4	1 1/2
PowerPoint	1 1/2	1 1/4	1 1/4	1 1/2
Access	1 1/2	1 1/4	1 1/4	1 1/2
Visual Basic	1 1/2	1 1/4	1 1/4	1 1/2
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ASP	1 1/2	1 1/4	1 1/4	1 1/2
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ASPX	1 1/2	1 1/4	1 1/4	1 1/2
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ASMX3	1 1/2	1 1/4	1 1/4	1 1/2
ASMX4	1 1/2	1 1/4	1 1/4	1 1/2
ASMX5	1 1/2	1 1/4	1 1/4	1 1/2
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ASMX7	1 1/2	1 1/4	1 1/4	1 1/2
ASMX8	1 1/2	1 1/4	1 1/4	1 1/2
ASMX9	1 1/2	1 1/4	1 1/4	1 1/2
ASMX10	1 1/2	1 1/4	1 1/4	1 1/2

U.S. STOCK MARKET DIARY

Index	High	Low	Open	Close
Dow Jones	8117 1/2	8117 1/2	8117 1/2	8117 1/2
S&P 500	1003 5/8	1003 5/8	1003 5/8	1003 5/8
Nasdaq	2712 1/2	2712 1/2	2712 1/2	2712 1/2
AMEX	118 1/8	117 3/4	117 3/4	118 1/8
Most Active				
IBM	118 1/8	117 3/4	117 3/4	118 1/8
Microsoft	27 1/2	27 1/4	27 1/4	27 1/2
Apple	34 1/2	34 1/4	34 1/4	34 1/2
Oracle	21 1/2	21 1/4	21 1/4	21 1/2
Amazon	11 1/2	11 1/4	11 1/4	11 1/2
Yahoo	10 1/2	10 1/4	10 1/4	10 1/2
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Facebook	12 1/2	12 1/4	12 1/4	12 1/2
Twitter	9 1/2	9 1/4	9 1/4	9 1/2
LinkedIn	8 1/2	8 1/4	8 1/4	8 1/2
Slack	7 1/2	7 1/4	7 1/4	7 1/2
Dropbox	6 1/2	6 1/4	6 1/4	6 1/2
Box	5 1/2	5 1/4	5 1/4	5 1/2
Evernote	4 1/2	4 1/4	4 1/4	4 1/2
OneDrive	3 1/2	3 1/4	3 1/4	3 1/2
SharePoint	2 1/2	2 1/4	2 1/4	2 1/2
Outlook	1 1/2	1 1/4	1 1/4	1 1/2
Word	1 1/2	1 1/4	1 1/4	1 1/2
Excel	1 1/2	1 1/4	1 1/4	1 1/2
PowerPoint	1 1/2	1 1/4	1 1/4	1 1/2
Access	1 1/2	1 1/4	1 1/4	1 1/2
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ASMX7	1 1/2	1 1/4	1 1/4	1 1/2
ASMX8	1 1/2	1 1/4	1 1/4	1 1/2
ASMX9	1 1/2	1 1/4	1 1/4	1 1/2
ASMX10	1 1/2	1 1/4	1 1/4	1 1/2

Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24

Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24
Am Herge U1	105	4-24	Am Herge U1	105	4-24

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to one percent or more has been paid, the years high-low range and dividend are shown for the period based on the latest dividend. Unless otherwise noted, rates of dividends are annual distributions based on the latest dividend.

n - dividend also paid cash
cd - common dividend
pr - preferred dividend
pe - PE earnings ratio
ad - called - **o** - newly yearly low
did - loss in the last 12 months
h - high
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EUROPE

Italian Aide Defends EMU Bid to Germans

Ciampi Describes Financial Progress

Compiled by Our Staff From Dispatches

BONN — Treasury Minister Carlo Azeglio Ciampi of Italy on Thursday began two days of talks in Germany to promote Italy's bid to join the planned European monetary union.

The minister defended Rome's bid to whip its finances into shape for EMU, saying that Italy had won the battle against inflation and would continue to drive down its debt.

At a lunch with German members of Parliament, Mr. Ciampi said Italy's ratio of debt to gross domestic product probably fell below the government's target of 122.6 percent in 1997 and would fall three percentage points a year, according to sources at the lunch.

The German finance minister, Theo Waigel, lauded Italy's progress in slashing its budget deficit.

"I have said often how much I value Italy's efforts in the past years," Mr. Waigel said after a meeting with Mr. Ciampi.

Germany, Europe's most influential economy, still has not taken a position on whether it deems Italy fit to adopt Europe's single currency in 1999.

The German government is in the dilemma of wanting to see currency union come to fruition with as many participants as possible, yet knowing it has to win over a majority of German voters in September's parliamentary elections. The German public is afraid the inclusion of currencies like the lira, which is volatile, could weaken the euro, the projected European currency.

Mr. Ciampi will travel to Frankfurt on Friday to meet Wim Duisenberg, head of the European Monetary Institute, and the Bundesbank president, Hans Tietmeyer.

Ahead of the visit there has been widespread speculation that Germany would demand special assurances from Rome on its ability to meet its long-term budget goals and stay within the fiscal limits in the Maastricht treaty on EMU.

But in an interview with German Radio on Thursday, Mr. Ciampi denied a reporter's assertion that there was a group in the European Commission conspiring to keep Italy out.

"Absolutely not," he said. "In the commission there is a group of experts who are scrutinizing the

numbers very carefully. But there is no anti-Italian group.

Last month there were press reports that Finance Minister Gerrit Zalm of the Netherlands planned to step down if Italy was allowed in with the first wave of EMU participants in 1999.

The European Union will select participants in May, using fiscal data from 1997.

Italy has shown impressive progress, reducing its budget deficit to around 3 percent of gross domestic product in 1997, the level required by the Maastricht treaty, from 10 percent just five years ago.

But Germany and other EU members are concerned about its high level of debt, even though they appear convinced that Italy belongs in the first wave of EMU as it was a founding member of the European Community. (Reuters, Bloomberg)

Restructuring To Bring Loss, Opel Predicts

Reuters

FRANKFURT — Adam Opel AG, the German unit of General Motors Corp., said Thursday it would report a loss for 1997 of 150 million to 250 million Deutsche marks (\$85 million to \$140 million) because of costs related to a new early-retirement program.

Opel said costs associated with restructuring measures and a new job security agreement would require a charge against earnings of at least 465 million DM, wiping out a profit for the year slightly above the 1996 level of 314 million DM.

The deal calls for a guarantee against layoffs through the end of 2002 but will lead to cuts through attrition and start an early-retirement plan that will cut 4,000 jobs. In return, the carmaker's works council won nearly 1 billion DM worth of investment guarantees for Opel plants in Western Germany.

NTL Set to Acquire Comcast UK

U.S. Firm to Pay \$997 Million for British Cable Company

Bloomberg News

LONDON — NTL Inc. agreed Thursday to pay \$997 million in stock and assumed debt for Comcast UK Cable Partners, accelerating consolidation of the beleaguered British cable industry.

NTL, which is based in New York, will pay the equivalent of \$11.98 for each Comcast share, a 29.5 percent premium over the Wednesday closing price of \$9.25, to create the third-biggest British cable company.

Comcast UK shares, which are traded in the United States, rose \$1.25 in late trading to \$10.50. Philadelphia-based Comcast rose 75 cents to \$31.125.

Britain's cable industry is consolidating and trying to cut costs because the British have not adopted cable TV as fast as North America. American companies had

rushed into Britain in the 1980s as deregulation allowed them to sell both telephone and TV services.

Most of those companies, including Nynex Corp., SBC Communications Inc. and Cox Communications Inc., have since reduced their interests to passive holdings.

"The question is whether or not this deal is the last in the cable consolidation," said Alan Lyons, a telecommunications analyst with ABN-AMRO Hoare Govett.

"There are several other players you can envisage, getting involved."

Shares in other British cable companies rose. General Cable PLC rose 18.5 pence, or 23 percent, to 99.5 pence, while Telewest Communications PLC rose 5 pence, or 6.5 percent, to 81.5 pence. NTL fell 62.50 cents to \$31.375 in late U.S. trading.

NTL's cable networks reach about 2 million British homes, and Comcast reaches around 1 million.

That makes them around half the size of the Britain's biggest cable company, Cable & Wireless Communications PLC, and puts them within range of second-highest Telewest's 4.2 million homes.

NTL, which operates British cable networks in Wales and Northern Ireland and runs a British TV transmitter network, will assume Comcast UK's \$397 million in debt.

Comcast shareholders can pull out of the agreement if NTL's stock drops below \$26.70.

NTL's acquisition comes after U.S. West Media Group Inc. said it might increase its stake in Telewest by buying out 10 percent stakes held by SBC Communications and Cox Communications.

Strong Pound Hammers ICI Profit

Compiled by Our Staff From Dispatches

LONDON — Imperial Chemical Industries PLC said Thursday its pretax profit plunged 36 percent last year, to £385 million (\$637.8 million), because of a strong pound and the cost of restructuring.

ICI said the strong pound erased £190 million of profit last year, canceling out much of the effect of an increase in sales to £11.06 billion from £10.52 billion.

But the company promised better times ahead after a year of intense activity that transformed it from a low-margin bulk chemicals producer to a leader in products with high-

er margins such as food flavorings and adhesives.

"The quality of earnings and the growth in our core businesses is clear," said Sir Ronald Hampe, the company's chairman. "We are confident that the quality of our ICI will become increasingly evident as 1998 unfolds." That outlook helped lift the company's stock price 30 pence to close at 970 pence.

Charles Miller Smith, chief executive, said the company was aiming for double-digit margins and sales growth rates of 7 percent to 8 percent annually between now and 2002. He also said the company was seeking a

return on net asset value of at least 20 percent, underpinned by productivity and performance improvements.

ICI said the specialty businesses bought last year from Unilever PLC for £4.8 billion had already enhanced earnings and met the company's own expectations.

The group's paints business posted record profit of £160 million, up 17 percent excluding the impact of the exchange rate.

Alan Spall, the finance director, said news of progress on further divestitures could be expected in the first half of this year.

(Reuters, Bloomberg)

Preussag Sells Steel Unit in Shift to Tourism

Reuters

HANNOVER, Germany — Preussag AG said Thursday it had agreed to sell its steel unit for 1.06 billion Deutsche marks (\$588 million) to Norddeutsche Landesbank and the German state of Lower Saxony.

The sale is part of Preussag's transformation from an industrial

conglomerate to a travel-oriented group.

Preussag also said its net profit rose 41 percent in the year to Sept. 30, to 397 million DM.

The company said its sales were up 26 percent in the first quarter of its current year, to 7.2 billion DM, slower than the 45 percent growth in the year-earlier quarter.

Foreign sales reached a record 55 percent of total sales in 1996-97 compared with 48 percent the previous year. Preussag said the impact of the Asian financial crisis was "slight."

The company said the divestment of its steel activities would help the company focus on energy, technology, logistics and tourism.

WORLD STOCK MARKETS

Thursday, Feb. 5

Prices in local currencies.

Telecom

High Low Close Prev.

Amsterdam

AEX Index: 944.66

Previews: 952.73

ABN-AMRO

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Thursday 8 4 P.M. Close.
The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

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http://www.ihf.com or e-mail: subs@ihf.com

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ASIA/PACIFIC

Seoul Vows to End Barriers to Foreign Investment

SEOUL — Finance Minister Lim Chang Yul pledged Thursday to remove the last barriers to foreign investment in South Korea as the government said the country's external debt had started to shrink.

"We are preparing bills to scrap even the last remaining taxes to help attract direct foreign investment," Mr. Lim said, referring to taxes imposed on foreigners investing in South Korea. "We also plan to simplify procedures for foreigners seeking to buy land to set up facilities necessary for investment."

The minister also said that foreign funds were flowing "smoothly" into the country and were helping stabilize the foreign exchange market.

In January alone, foreign investors pumped in some \$950 million for portfolio investment, following an injection of \$338 million in December, he said.

But Michael Brown, president of the U.S. Chamber of Commerce, said that anti-foreign sentiment in Korea was still discouraging direct investment. He said that even though the numbers had risen, direct foreign investment in Korea still lagged such rivals as Malaysia, Singapore and China. He also said Korea should educate the public on the benefits of foreign investment.

"In reading local newspapers and meeting with Korean businessmen," Mr. Brown said, "one would think that the entire country is for sale or subject to hostile takeover by foreign parties."

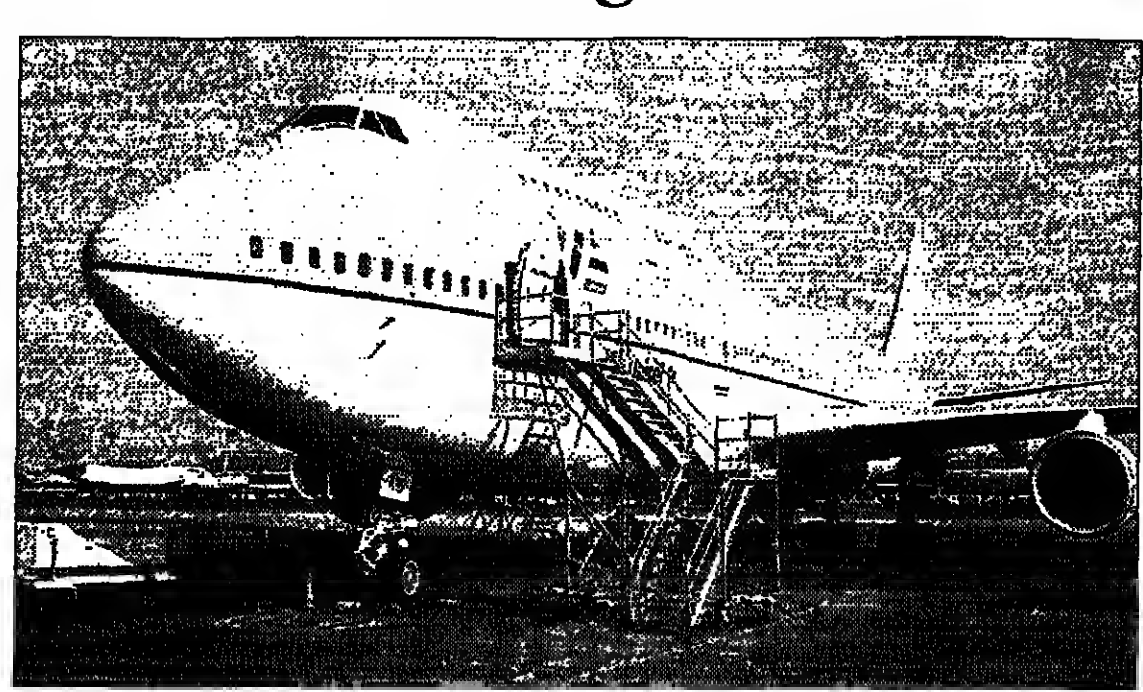
"While I believe that the prospects for incremental foreign direct investment are very good over the medium term," he added, "I think Korea's concerns of foreign domination in many industries are grossly exaggerated."

Mr. Brown said that even if stock ownership rules were thoroughly liberalized, he expected most new investments to be in the form of buying out local joint-venture partners.

Mr. Lim predicted that the improving economic conditions meant that South Korea would need only \$43.2 billion in additional rescue loans this year, instead of the earlier estimated \$68.2 billion.

South Korea secured an accord from international banks in New York last month to roll over \$24 billion of short-term debt, which constituted most of the banks' short-term debt due this year.

The Finance Ministry said Thursday that South Korea's total external liabilities had declined \$7.3 billion in December to reach \$154.4 billion at the start of the year.



A plane owned by Asiana, South Korea's second-largest air carrier, which has asked that the foreign-ownership limit of 20 percent be raised to 50 percent to help in weathering the crisis.

The long-term debt actually increased by \$13.1 billion to \$86 billion during the month thanks to inflows of rescue funds from the International Monetary Fund, the Asian Development Bank and the World Bank, the ministry said.

But short-term debt fell \$20.4 billion to \$68.4 billion through repayment of short-term liabilities by financial institutions, it said.

The announcement marked the first time that Seoul has put out the breakdown of its foreign debt following an agreement between the government and the IMF in public total external liabilities every month. (AFP, Reuters)

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
17000	2000	20000		
15000	1750	18500		
13000	1500	17000		
11000	1250	15500		
9000	1000	14000		
7000	750	12500		
1997	1997	1997		
Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,442.13	10,302.81	+1.26
Singapore	Straits Times	1,492.15	1,425.23	+4.70
Sydney	All Ordinaries	2,657.90	2,656.90	+0.04
Tokyo	Nikkei 225	17,003.30	16,882.62	+0.71
Kuala Lumpur	Composite	772.81	690.76	+11.9
Bangkok	SET	531.11	505.58	+5.05
Seoul	Composite Index	528.05	547.28	-3.51
Taipei	Stock Market Index	8,621.97	8,470.81	+1.78
Manila	PSE	2,049.15	2,042.14	+0.34
Jakarta	Composite Index	5,134.89	5,199.29	-1.24
Wellington	NZSE-40	2,242.78	2,244.66	-0.08
Bombay	Sensitive Index	3,357.48	3,319.19	+1.15

Very briefly:

- Bankers Trust Co. of the United States is preparing to scale back its operations in the Asia-Pacific region, but the overhaul is not likely to result in "radical" resource cuts or job losses, a source close to the company said. The company employs around 1,500 people in the region.
- PT Ciputra Development, one of Indonesia's largest housing and office developers, halted payment on about \$250 million in debt because of the country's currency turmoil.
- Japan's Liberal Democratic Party is considering creating a fund to purchase real-estate loans repackaged into securities. The planned fund would be financed by financial institutions without government subsidies. Meanwhile, Kiichi Miyazawa, a former prime minister, said a "bold" tax cut through changes in the tax system should be considered as the Japanese economy languished. Kyodo news agency reported.
- Japanese police arrested a corporate extortionist for allegedly receiving 27 million yen (\$218,500) from Mitsubishi Electric Corp. and Mitsubishi Estate Co., companies that were named in a different payoff scandal three months ago.
- Hitachi Ltd. and Mitsubishi Electric Corp. will postpone a joint project with Texas Instruments Inc. of the United States to develop next-generation dynamic random-access memory chips, citing falling chip prices and profits.
- The Thailand Rice Exporters' Association said a delivery of 100,000 metric tons of rice to Indonesia was being held up by Indonesia's inability to obtain letters of credit from banks. The order, valued at about \$25 million, is equal to about 10 percent of Indonesia's rice imports last year and about 2 percent of Thailand's 1997 rice exports.
- Commerce Asset-Holding Bhd. of Malaysia received central bank permission to start talks on a merger with RHB Bank Bhd. that would create one of the country's largest banks.
- Sri Lanka's tea workers went on strike to press plantation owners for higher wages in a dispute that may further drive up the price of tea, which is already near an all-time high.

Hong Kong Leads High-Priced List For Office Space

SINGAPORE — Hong Kong has overtaken Tokyo as the world's most expensive city to have an office in the prime business district, according to a report issued Thursday by the Singapore property firm Edmund He & Co.

Seven cities in Asia were among the top 10 most expensive, the survey showed. Office occupancy costs measure rents, property tax and maintenance.

The survey of 68 cities, taken in December, showed costs in Hong Kong averaged \$10.11 per square foot (\$108.78 a square meter) a month, well ahead of Tokyo. London's West End was second with an average cost of \$9.18 a square foot. The City of London financial district was third at \$8.69, and central Tokyo followed at \$8.64. (Bloomberg, Reuters)

Coca-Cola Amatil to Split Up on Regional Lines

By Constance L. Hays
New York Times Service

NEW YORK — Coca-Cola Co.'s second-largest bottler, Coca-Cola Amatil Ltd., will be broken into two companies, one based in Europe and the other in Australia, to better focus on regional business demands.

In addition, the new entities will acquire bottlers in Italy and South Korea for a total of \$1.4 billion in equity and cash, Coca-Cola announced Wednesday.

In its current form, Coca-Cola Amatil, based in Sydney, comprises a sprawling empire that reaches from Austria to New Zealand.

[Confirming the split-up, Coca-Cola Amatil also said Thursday its net profit rose 73 percent in 1997, to 242.2 million Australian dollars (\$163.4 million), as sales increased 31 percent, to 4.83 billion dollars, Agence France-Presse reported from Sydney. But the company warned that Asian currency turmoil would have an "adverse impact" on its

Australian dollar earnings for 1998.]

Dividing Coca-Cola Amatil into two parts should help results, analysts said. The company's stock has fallen sharply on the Australian market because of concerns over the Asian economic picture.

"There was a lot on their plate there," Jennifer Solomon of Salomon Brothers Inc., said. "It's hard to watch Kiev from Sydney."

The move raises to 10 from nine the number of "anchor bottlers" — publicly traded companies in which Coca-Cola retains a large stake.

John Sicher, publisher of Beverage Digest, said the split-up was intended to improve focus and efficiency.

"Amatil became too geographically far-flung to manage," he said.

Neville Isdell, the head of Coca-Cola Europe who resigned from the Amatil board several weeks ago and who has long been considered a leading candidate to become president of Coca-Cola, becomes the chief executive of the new European bottler, to be called Coca-Cola

Beverages and based in Vienna.

The former chief executive of Coca-Cola Amatil, Norb Cole, will leave the company. David Kennedy, the head of Coca-Cola's U.S. fountain business, which sells concentrate to restaurants and other concessions, will run Coca-Cola Amatil, as the Asian business will continue to be known.

U.S. TV Lifts News Corp.

SYDNEY — News Corp. said Thursday that strong revenue from U.S. television operations helped lift its net profit to 895 million Australian dollars (\$615 million) in the six months ended Dec. 31 from 690 million dollars a year earlier.

The media and entertainment company controlled by Rupert Murdoch said sales rose to 8.94 billion dollars from 7.06 billion dollars.

The results, for the first half of the company's financial year, were underpinned by a more than doubling of operating income from television operations, largely from the U.S.-based Fox Television Station Group.

But News Corp. said operating income at its Filmed Entertainment unit fell to 144 million dollars from 202 million dollars a year earlier.

Profit at the company's British newspaper operations rose 10 percent, while profit at Australian newspapers rose 16 percent. However, News Corp.'s Asian satellite broadcaster STAR TV continued to lose money.

News Corp. shares rose 2.4 percent to close at 9.24 dollars. (Reuters, AFP)

WorldCom Tries to Enter Japan Phone Market

LONDON — A World Trade Organization pact to open telephone services went into effect Thursday, and WorldCom Inc. immediately took advantage of the deal by saying it had applied for a license to sell phone service in Japan.

WorldCom said it planned to lay its own fiber-optic cable network in Tokyo and spread it to other regions if they were believed to be profitable.

"We know this is the right strategy, the right approach, the right market and the right time," said Steve Liddell, president of WorldCom Asian Pacific Ltd.

British Telecom Communications PLC said Thursday that it also would seek a license to offer service in Japan.

The WTO pact that took effect Thursday was finalized about a year ago.

The licenses WorldCom has applied for and which BT said it would seek in the next few weeks would allow the companies to build telephone lines, switches and other systems in Japan as well as resell services over phone lines leased from Japanese companies.

WorldCom, which recently agreed to buy MCI Communications Corp. after a protracted battle with BT, plans in target international users initially. But Mr. Liddell said that "in a market that's not benefited from competition, there can often be huge local interest."

If WorldCom is successful in obtaining the license it seeks, Nippon Telegraph & Telephone, which controls 99.9

percent of the Japanese market, will face its first real competition.

Mr. Liddell declined to comment on the details of WorldCom's plans or investments, but he said the company could begin offering services, mostly to financial organizations and Internet access providers, by the end of the calendar year.

BT's move would put it into direct competition for international phone service with Nippon Telegraph & Telephone, with which it is in potential partnership discussions and with which it is jointly bidding for one of two telecommunications licenses in Singapore.

As part of the WTO agreement, Japan refused to allow foreign investors to own more than 20 percent of Kokusai or NTT. (Reuters, Bloomberg)

JCI: 2 Legendary Figures Bracket the Company's Stormy History

Continued from Page 13

was pining its core life-insurance business up for sale. But analysts see bigger factors at work.

First was a falling gold price, which was around \$350 an ounce while the deal with Anglo America was being negotiated and hit a low of \$280 in December.

Second was the premium the Khumalo group paid for JCI. The financial beauty of most earlier "empowerment" deals was that conglomerates seeking political goodwill sold shares at a discount to black shareholders, and the discounts lured banks in as lenders. What Mr. Khumalo's group agreed to pay — about \$11 a share — was considered a risky bet. On Jan. 13, JCI shares hit a low of \$3.80, although they later rose to about \$5 on rumors of the breakup and his resignation.

The third strike against Mr. Khumalo was his own hubris. The self-dealing with the titanium company damaged his credibility, as did his penchant for negotiating asset sales without informing his own allies.

In bringing JCI to the point of "disembodiment" — the plan-calls for its mines to go to Anglo American, the English conglomerate Lonrho PLC and a Swiss metals-trading company — Mr. Khumalo is unraveling the last corporate legacy of Mr. Barnato, a sparkling, enigmatic figure in South African history.

Mr. Barnato, born Barnett Isaacs in London, was a cockney music-hall magician who took his name from a cry of the crowd. As assistant to his big brother Harry, he was

called out to take bows with the shout of "Barnie, too!"

Arriving in South Africa in 1873, he was a boxer, comedian and gambler before making a fortune in diamonds.

By 1889, Mr. Barnato was the largest obstacle to Cecil John Rhodes's control of the Kimberly "Big Hole," the world's largest diamond find. He drove a hard bargain for his share: more than £5 million and a "life governorship" in Mr. Rhodes's company, De Beers Mining. Just as important, Mr. Barnato, a Jew, made Mr. Rhodes sponsor him for membership in the exclusive Kimberly Club, using his money to strike a blow against anti-Semitism, a powerful undercurrent in South African society.

Mr. Khumalo, in his own way, also highlights the complications that arise with the empowerment of a downtrodden minority. His name has a powerful resonance: Mzilikazi, the most fearsome general of the Zulu king Shaka, who cut a swath of destruction across southern Africa in the 1820s and 1830s.

As a youth, Mr. Khumalo joined the African National Congress's clandestine army and trained in the Soviet Union. Captured in 1978, he spent 12 years in the Robben Island prison off Cape Town.

Unlike other inmates who dreamed of careers in a government under President Nelson Mandela, he has said, he lacked the politician's ability to make compromises, so he earned a bachelor's degree in business by mail and emerged saying that he would found a bank.

As a provincial party treas-

urer, he took computer lessons and set himself up as a management consultant. He quickly made powerful friends, including Terry Rosenberg, chairman of Precor Holdings, a furniture and appliance retail company, who offered him a job.

After three years, he said, he told Mr. Rosenberg he was leaving to start a financial-services company. Mr. Rosenberg helped round up several million dollars in loans, and Capital Alliance was born.

Like many such enterprises, it was quickly backed by large corporations. Within two years, Capital Alliance had interests in insurance, banking, property management, financial consulting and asset management and was said to be worth more than \$1 billion. Its management was almost entirely white.

But Mr. Khumalo's real

moment of glory was the JCI deal. By a mere 12 cents a share, Mr. Khumalo's African Mining Group consortium outbid a rival to gain ownership.

Once in the limelight, Mr. Khumalo became a darling of white business executives because he criticized affirmative action and put shareholder profits above all else. "We are here to run a business," he said not long ago. "I'm not for any of this brotherhood stuff."

He was also the target of a common complaint against black empowerment — that creating a few new millionaires did not help the millions of blacks living in poverty.

In defending his disdain for affirmative action, he has said he wants the best brains available but also says he looks 20 years down the road and knows blacks will be managers because "white ladies aren't interested in having children."

SANYO KLEINWORT SPAIN FUND
Fonds Commun de Placement
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Unitholders are hereby informed that SANYO KLEINWORT SPAIN FUND MANAGEMENT S.A. (the "Management Company") acting as management company to Sanyo Kleinwort Spain Fund (the "Fund"), decided on 7th January 1998 to delete the reference to the three months notice requirement for the liquidation of the Fund contained in the first paragraph of article 17, of the Management Regulations.

On 29th January 1998, the Management Company decided, with the approval of Kredietbank S.A. Luxembourg, acting as Custodian of the Fund, to put the Fund into liquidation and to suspend the issue and redemption of units from 29th January 1998.

The Management Company will proceed to the liquidation of the Fund in accordance with Luxembourg laws and regulations.

A further notice will be published upon the closure of the liquidation.

The Board of Directors of
SANYO KLEINWORT SPAIN FUND MANAGEMENT S.A.

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THE WORLD'S DAILY NEWSPAPER

NASDAQ

Thursday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a day.
The Associated Press.

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
120.00	119.00	IBM	1	1.2	15.0	100	120.00	119.00	IBM	1	1.2	15.0	100
115.00	114.00	Microsoft	1	1.5	12.0	100	115.00	114.00	Microsoft	1	1.5	12.0	100
110.00	109.00	Oracle	1	1.8	10.0	100	110.00	109.00	Oracle	1	1.8	10.0	100
105.00	104.00	Amazon	1	2.0	8.0	100	105.00	104.00	Amazon	1	2.0	8.0	100
100.00	99.00	Google	1	2.2	7.0	100	100.00	99.00	Google	1	2.2	7.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
95.00	94.00	Yahoo	1	2.5	6.0	100	95.00	94.00	Yahoo	1	2.5	6.0	100
90.00	89.00	Comcast	1	2.8	5.0	100	90.00	89.00	Comcast	1	2.8	5.0	100
85.00	84.00	Verizon	1	3.0	4.0	100	85.00	84.00	Verizon	1	3.0	4.0	100
80.00	79.00	AT&T	1	3.2	3.0	100	80.00	79.00	AT&T	1	3.2	3.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
75.00	74.00	Walt Disney	1	3.5	2.0	100	75.00	74.00	Walt Disney	1	3.5	2.0	100
70.00	69.00	Netflix	1	3.8	1.0	100	70.00	69.00	Netflix	1	3.8	1.0	100
65.00	64.00	Home Depot	1	4.0	0.5	100	65.00	64.00	Home Depot	1	4.0	0.5	100
60.00	59.00	Target	1	4.2	0.2	100	60.00	59.00	Target	1	4.2	0.2	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
55.00	54.00	Wal-Mart	1	4.5	0.1	100	55.00	54.00	Wal-Mart	1	4.5	0.1	100
50.00	49.00	Costco	1	4.8	0.0	100	50.00	49.00	Costco	1	4.8	0.0	100
45.00	44.00	Wells Fargo	1	5.0	0.0	100	45.00	44.00	Wells Fargo	1	5.0	0.0	100
40.00	39.00	Bank of America	1	5.2	0.0	100	40.00	39.00	Bank of America	1	5.2	0.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
35.00	34.00	JP Morgan Chase	1	5.5	0.0	100	35.00	34.00	JP Morgan Chase	1	5.5	0.0	100
30.00	29.00	Goldman Sachs	1	5.8	0.0	100	30.00	29.00	Goldman Sachs	1	5.8	0.0	100
25.00	24.00	Citigroup	1	6.0	0.0	100	25.00	24.00	Citigroup	1	6.0	0.0	100
20.00	19.00	Bank of New York	1	6.2	0.0	100	20.00	19.00	Bank of New York	1	6.2	0.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
15.00	14.00	MetLife	1	6.5	0.0	100	15.00	14.00	MetLife	1	6.5	0.0	100
10.00	9.00	Prudential	1	6.8	0.0	100	10.00	9.00	Prudential	1	6.8	0.0	100
5.00	4.00	Lincoln Financial	1	7.0	0.0	100	5.00	4.00	Lincoln Financial	1	7.0	0.0	100
0.00	0.00	Various	1	7.2	0.0	100	0.00	0.00	Various	1	7.2	0.0	100

NYSE
Thursday's 4 P.M. Close
(Continued)

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
120.00	119.00	IBM	1	1.2	15.0	100	120.00	119.00	IBM	1	1.2	15.0	100
115.00	114.00	Microsoft	1	1.5	12.0	100	115.00	114.00	Microsoft	1	1.5	12.0	100
110.00	109.00	Oracle	1	1.8	10.0	100	110.00	109.00	Oracle	1	1.8	10.0	100
105.00	104.00	Amazon	1	2.0	8.0	100	105.00	104.00	Amazon	1	2.0	8.0	100
100.00	99.00	Google	1	2.2	7.0	100	100.00	99.00	Google	1	2.2	7.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
95.00	94.00	Yahoo	1	2.5	6.0	100	95.00	94.00	Yahoo	1	2.5	6.0	100
90.00	89.00	Comcast	1	2.8	5.0	100	90.00	89.00	Comcast	1	2.8	5.0	100
85.00	84.00	Verizon	1	3.0	4.0	100	85.00	84.00	Verizon	1	3.0	4.0	100
80.00	79.00	AT&T	1	3.2	3.0	100	80.00	79.00	AT&T	1	3.2	3.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
75.00	74.00	Walt Disney	1	3.5	2.0	100	75.00	74.00	Walt Disney	1	3.5	2.0	100
70.00	69.00	Netflix	1	3.8	1.0	100	70.00	69.00	Netflix	1	3.8	1.0	100
65.00	64.00	Home Depot	1	4.0	0.5	100	65.00	64.00	Home Depot	1	4.0	0.5	100
60.00	59.00	Target	1	4.2	0.2	100	60.00	59.00	Target	1	4.2	0.2	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
55.00	54.00	Wal-Mart	1	4.5	0.1	100	55.00	54.00	Wal-Mart	1	4.5	0.1	100
50.00	49.00	Costco	1	4.8	0.0	100	50.00	49.00	Costco	1	4.8	0.0	100
45.00	44.00	Wells Fargo	1	5.0	0.0	100	45.00	44.00	Wells Fargo	1	5.0	0.0	100
40.00	39.00	Bank of America	1	5.2	0.0	100	40.00	39.00	Bank of America	1	5.2	0.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
35.00	34.00	JP Morgan Chase	1	5.5	0.0	100	35.00	34.00	JP Morgan Chase	1	5.5	0.0	100
30.00	29.00	Goldman Sachs	1	5.8	0.0	100	30.00	29.00	Goldman Sachs	1	5.8	0.0	100
25.00	24.00	Citigroup	1	6.0	0.0	100	25.00	24.00	Citigroup	1	6.0	0.0	100
20.00	19.00	Bank of New York	1	6.2	0.0	100	20.00	19.00	Bank of New York	1	6.2	0.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
15.00	14.00	MetLife	1	6.5	0.0	100	15.00	14.00	MetLife	1	6.5	0.0	100
10.00	9.00	Prudential	1	6.8	0.0	100	10.00	9.00	Prudential	1	6.8	0.0	100
5.00	4.00	Lincoln Financial	1	7.0	0.0	100	5.00	4.00	Lincoln Financial	1	7.0	0.0	100
0.00	0.00	Various	1	7.2	0.0	100	0.00	0.00	Various	1	7.2	0.0	100

Handwritten text: 2001/2/6

INTERNATIONAL FUNDS February

Quotations supplied by fund groups to Microanal Paris: t: 33-1 40 28 08 08, e-mail: info@microanal.com

For more information on how to list your fund, fax Katy Hourli at (33-1) 41 43 92 12 or E-mail : katy.hourli@univ-paris1.fr

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WORLD ROUNDUP

Players Warn NFL

FOOTBALL The National Football League players union has informed the league that it is prepared to allow their labor agreement to expire after the 2000 season and not extend the deal through 2002, as the sides had been negotiating.

Gene Upshaw, president of the NFL Players Association, said the players were not prepared to make any more concessions to the owners and would not extend the salary cap through the life of the league's new \$17.6 billion television deal "unless they're willing to give us something in exchange." (WP)

Roger Goodrich, the Minnesota Vikings president, matched author Tom Clancy's bid for the team, setting up a potential legal battle. Headrick, one of the club's 10 current owners, said his offer equals Clancy's NFL-record bid of slightly more than \$200 million that the owners accepted Tuesday. (AP)

Martin Describes his Pain

GOLF Casey Martin broke down in tears as he testified in court in Oregon on Wednesday about the intense pain he feels when he walks the golf course. He said he doesn't believe riding a cart would give him an advantage over other players.

Martin, who has a rare circulatory disorder in his right leg, has invoked the Americans with Disabilities Act in his lawsuit against the PGA Tour, which says he must walk to play in its events. (AP)

No Charges for Kluitert

SOCCER An Amsterdam court has decided not to proceed with rape charges against Patrick Kluitert, a center forward for the Netherlands and AC Milan, and three of his friends, a court spokeswoman said Thursday. Dutch media said the court had dismissed the case because of lack of evidence, but the spokeswoman declined to give details of the court's ruling. (Reuters)

Canseco Joins Blue Jays

BASEBALL Jose Canseco agreed to a one-year contract with the Toronto Blue Jays for \$750,000, with \$2.5 million in bonuses. Canseco, 33, an outfielder and designated hitter, made \$4,725,000 last season with Oakland. He hit .235 with 23 homers and batted in 74 runs. Shortstop Alex Gonzalez agreed to a \$1,497,500 one-year contract with Toronto. (AP)

Canadian Skater Gets A Push From Progress

Le May Doan Watches the Records Fall

By Jere Longman
New York Times Service

NAGANO, Japan — A technological revolution occurred in speed skating last year, and Canadian Le May Doan and her Canadian teammates decided not to resist the inevitable. But she had no idea that she could become the next Bonnie Blair.

In June, Le May Doan put on clap skates for the first time. The skates have a hinged toe and a heel that detaches from the blade to allow the skater fuller contact with the ice and longer, more powerful strokes. They were a perfect fit for Le May Doan, whose style favored power over technique.

She took the skates for a test spin last October in Calgary, saw her practice time at 500 meters and blinked. Then she asked someone to check the electronic scoring device. The clock said 38.4 seconds. Blair's world record was 38.69 seconds.

A month later, at a race in Calgary, she shattered Blair's record with a time of 37.90 seconds. In an event usually decided by hundredths of a second, eight-tenths of a second might as well be a minute.

On the same day, Le May Doan set a world record of 1:16.07 at 1,000 meters. The mark has since been lowered by Chris Witty of the United States, but Le May Doan entered the record books again at 1,500 meters with a time of 1:57.87. She has also continued to dance a limbo with the 500-meter record, lowering it to 37.55 seconds, more than a second below the mark that Blair set in 1995.

Blair is now retired and expecting a baby next summer. She is attending the Nagano Games to cheer on her husband, speed skater Dave Cruikshank. She won five Olympic gold medals, but she never did what Le May Doan has a chance to do in Nagano — win three gold medals in the same Winter Games.

Le May Doan, who resembles an athletic Audrey Hepburn, is the daughter of an engineer and the wife of a Zamboni driver and part-time rodeo cowboy. While she possesses the heart of a champion, perhaps few athletes possess the singular drive and determination that propelled Blair around a sheet of ice.

Every athlete wants to be the best, but Le May Doan is not an athlete who stands on the line thinking I have to rip another athlete's heart out," Le May Doan said. Blair was a technically perfect skater

whose stroke was as seamless as Tiger Woods' golf swing. At 5 feet 7 inches (1.70 meters) and 140 pounds (63.5 kilograms), Le May Doan, a former track hurdler, has, until this season, relied more on power than finesse. She has won medals on the World Cup circuit, so it would be wrong to say that she has come out of nowhere on the clap skates. But they have certainly added more horsepower to an already propulsive engine.

"Until this year, I was out a technical skater, but I think now I have a more efficient push," Le May Doan said. "Before, I had a lot of ice flying and power wasted."

The Americans complained bitterly about the clap skates last season when they had trouble securing them from Viking, a Dutch company.

"I didn't enjoy them at the beginning, but I stuck with them," Le May Doan said. "We had no choice. They were faster, so we made them work for us. The big thing is to be on skates and build trust."

This season, Le May Doan switched to a new coach, Derrick Auch, creating a sensitive situation within the Canadian team. Derrick Auch happens to be the coach and brother of Susan Auch, who finished second to Blair at 500 meters at the 1994 Olympics and is Le May Doan's chief rival. To defuse inevitable tension, the two Auches and Le May Doan have been seeing a sports psychologist, Derrick Auch has a delicate balancing act, but both skaters said their relationship had improved.

"It was difficult for Susan when Catriona started going really fast," Derrick Auch said. "But it also made Susan realize she has a chance to win a gold medal. She's the only one who's beaten Catriona."

For the first time, the men's and women's 500 meters will be contested over two races at the Olympics, giving each skater a chance to start from both the inner and outer lane. Previously, skaters who changed from the outside lane to the tighter inside turn were considered to be at a disadvantage.

Four years ago, in Lillehammer, Norway, her 500-meter race ended before the lane switch when she fell in the outer lane. The comparisons with Blair she will accept, but not those with Dan Jansen, who fell at two consecutive Olympics.

"People start saying, 'If you fell at one Olympics, will you fall at another?'" Le May Doan said. "That's just superstition. I'm not superstitious at all."



Markus Herrmann of Switzerland taking off at the start of a practice run for the men's Olympic downhill.

Austrians Blaze on Practice Ski Runs

HAKUBA, Japan — Two things were as clear as the bright sunshine at the Happono ski area Thursday: The course is slow and the Austrians are fast, very fast.

Austrians had the four fastest times, and 8 of the top 13, in the first of three days of training runs for Sunday's men's downhill, the opening event and one of the main attractions of Olympic Alpine skiing.

Though they were the fastest, the Austrians grumbled that the course was too flat and not challenging enough, creating the possibility that some lesser competitor could upset their skiing juggernaut.

The more level the course, they said, the more level the competition.

"It's not a downhill like Kitzbuhel or Wengen. It's not that difficult," said Stephan Eberharter, who had the second-fastest training run of the day. "It's hard to be fast, so anything can happen here."

The first day of practice did little to dampen Austrian expectations that the

team would dominate men's Alpine skiing. Austria managed just one gold and one bronze four years ago in Lillehammer, Norway. But the Austrians steamrolled into Nagano with 23 victories in 30 events on this year's World Cup circuit, led by Hermann Maier, who has 10 victories in his first full season.

Eberharter, though, warns that his countrymen may be expecting too much, especially considering the relatively easy course. "Here, anything can happen," he said.

Because of the intense competition within the team, most of the Austrians who were so fast Thursday will not even be entered in Sunday's race. Werner Franz, Eberharter and Maier had the three fastest times, with Hans Knaus of Austria and Peter Runggaldier of Italy tied for fourth. Austrians also finished 8th, 9th, 10th and 13th.

Franz was timed in 1 minute, 52.8 seconds, 17-hundredths of a second better than Eberharter and 47-hundredths of a second faster than Maier, a gold-medal favorite in as many as three events.

Among the Austrians, only Maier and Andreas Schifferer have automatic spots for the downhill. Maier gets his spot as leader in overall World Cup standings. Schifferer as the leader in World Cup downhill points.

While skiers from other countries will be fine-tuning their strategy, the rest of the Austrians must go against each other in training runs Friday and Saturday for the final two berths.

"I feel fortunate that we don't have to qualify like the Austrians," said Kyle Rasmussen of the United States, the first skier down the course Thursday. "I'm sure they're going to have their best runs on Saturday, and we'll have ours on Sunday."

Under the demands of the International Ski Federation, Japanese organizers reluctantly added 279 feet to the top of the course, even though it encroached into a national park. That left the course a respectable 2.1 miles. But the vertical drop is a mere 3,025 feet, far less than the steep courses of Europe where speeds are much faster.

Kenyan Team Trades Track for Skiing Trail

The Associated Press

NAGANO, Japan — The two-man Kenyan cross-country ski team — the African nation's first Winter Olympics entry — hit Nagano on Thursday like visiting rock stars. They signed autographs and posed for pictures, smiling broadly.

"Oh no, we don't have snow in Kenya," said Philip Boit, a former runner who swapped his sneakers for cross-country skis. He said that he first saw snow only two years ago.

Boit and Henry Bitok were runners until 1995, when their coach, Mike Kosgei, wondered if their running skills might translate into cross-country skiing success.

The runners were intrigued, and received their first taste of skiing in a training trip to Finland in February 1996. Two years later, Boit is competing in the Olympics and Bitok is his back-up.

"This is the beginning," said Charles Mukora, chairman of the Kenyan Olympic Committee. "From now on, you'll see lots of Kenyans in

skiing. And we hope, someday, somebody will be in Kenya for skating and hockey."

Boit's best time is 10 minutes behind that of the world's fastest cross-country skier, Bjorn Daelie of Norway.

While the Kenyans' odd quest quickly grabbed attention in Nagano, their effort is not entirely an exercise in national pride. They are sponsored by a major sneaker company; the Kenyan team's press attaché is a sneaker company employee who has never been to Kenya.

Asked if he was getting more financial support from the Kenyan government or the shoe company, Boit smiled. "There are some questions," he said, "to which I have to say no."

IOC Elects 2 Princes

Nine new members were voted onto the International Olympic Committee on Thursday including two more princes, the Prince of Orange of the Netherlands and Prince Henri of Luxembourg.



Henry Bitok, left, and Philip Boit enjoying celebrity.

"I don't think that we are especially well-stocked with members of royalty," said Francois Carrard, director-general of the IOC. "We have a rather large complement of regular people. But I don't see why someone should be barred from membership just because they have a title."

Of 118 members of the IOC, seven are official members of royal families, not counting Prince Albert of Monaco, whose family rules only a principality. They are Prince Anne of Britain, Prince Fahad bin Abdulaziz of Saudi Arabia, Sheikh Ahmad al Fahad al Sabah of Kuwait, Princess Nora of Liechtenstein, and Infanta Pilar de Borbon, the sister of the King of Spain.

The seven other new members included two women: Irena Sewinska, winner of seven Olympic medals in curling, a gold in the long jump in 1976, and Nawal Moutawakel Bennis of Morocco, also a gold medal Olympian in 1984. This brings the number of female members to 14.

The committee is losing one of its royal members, Grand Duke Jean of Luxembourg, a member of the IOC since 1946. (NYT)

GAMES: Japan and World Sports Hope to Burnish Their Images

Continued from Page 1

give the United States a sweep in the Games' most popular and watched event.

Japan has sweep-dreams of its own. The last time Japan was host to the Games, in Sapporo in 1972, the Japanese finished one-two-three in ski jumping. It was a remarkable feat for a nation that had won only one medal in all previous winter Games. Now the Japanese ski jumpers are the world's best once again, and stars such as Masahiko Harada, Kazuyoshi Funaki and Akiko Higashi are hoping to repeat history.

The Nagano Olympics promise to be a new breed of Games. Old-style European royalty will still be parading the party circuit, but the competitors are anything but traditional. Stars from the National Hockey League will be competing for the first time, raising television ratings and the number of millionaires competing for gold. Snowboarding joins the Games, bringing with it the clothes, language and attitude of youth. Already, the "knuckledraggers," as they are known, are rebelling against wearing team uniforms.

Women's hockey will be a medal sport for the first time, giving the Americans and Canadians something new to argue about. The Nagano Games will also introduce curling as a medal event, offering new hope to cruise-ship seniors who dream of shuffleboard gold.

The competition in Nagano will be played out on a stage far different from

the 1994 Atlanta Games. Nagano is smaller than many Atlanta suburbs, and what it lacks in shopping malls it makes up for in majestic snow-capped mountains and hardwood forests.

"Atlanta" is a word that organizers here say with disdain, and they have been ruthlessly rooting out all signs of the overfed commercialism, and the swirling, shouting crush of T-shirt and soda hawkers that marred Atlanta.

Many Nagano streets are lined with small flags touting Visa, IBM, Coca-Cola or other major sponsors, but the city has remained remarkably free of schlock. Nagano has built new hotels, a new train station with a McDonald's at each entrance, and new office buildings with huge video screens overlooking downtown squares.

But the city retains the unique charm of urban Japan: crossing signals chirp to pedestrians in a high, female voice when it is safe to cross and taxi drivers wear white gloves. People wear surgical masks when they walk around town. Some wear them to prevent spreading germs; others wear them to keep germs out. Either way, the look has been stopping foreigners in their tracks all week.

CBS, the U.S. television network, has 1,700 employees in Nagano covering the events — nearly a quarter of the 8,000-member global press corps here. The network has erected a studio tower on the sacred grounds of the 1,400-year-old Zenkoji Temple.

Japan is a unique mix of old and new,

and the Games in Nagano will be a celebration of both. High-tech innovations include a computerized system to control traffic that will allow cars carrying athletes and other VIPs to zip through lights. Many shops have been equipped with two-way video telephones staffed by translators working in three languages. Microphones have been embedded in the ice to help TV viewers hear the hockey and skating events better.

Many of the 1.1 million spectators expected in Nagano will stay in traditional Japanese inns, where they will find themselves leaving their shoes at the door, sleeping on futons on the tatami mat floors and eating a breakfast of pickles and raw fish and miso soup while sitting cross-legged on the floor.

In Saturday's opening ceremony, sumo wrestlers in their traditional silk aprons will lead the parade of athletes before a crowd of 50,000 people that will include kings and queens and Emperor Akihito of Japan, the current ruler in the world's longest unbroken family monarchy, which dates its founding from 2,600 years ago.

The Japanese figure skater Midori Ito, a silver medalist in the 1992 Olympics in Albertville, France, will light the Olympic flame. The Japanese take great pride in their Olympic champions and feel intense shame when they do not succeed. And success is relative. When Ito returned to Japan after winning her silver, she went on television, bowed and apologized for failing to win gold.

SCOREBOARD

BASKETBALL

EURO LEAGUE

GROUP E
Olympiakos, Greece, 73 Paris 54
GROUP H
AEK Athens 65 Hapoel Jerusalem 51

MAJOR COLLEGE SCORES

Kansas 83 Iowa St. 62
Kentucky 63 LSU 61
Stanford 74 California 72
Michigan St. 84 Ohio St. 58

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION
W L Pct GB
New Jersey 24 17 .583 0
New York 22 19 .537 2
Washington 22 21 .511 4
Boston 22 25 .468 8
Orlando 21 25 .458 12
Philadelphia 14 31 .311 14 1/2

CENTRAL DIVISION

Indiana 29 17 .628 0
Chicago 28 18 .609 1
Charlotte 27 19 .587 2
Cleveland 26 20 .565 3
Atlanta 26 20 .565 4
Milwaukee 24 22 .522 6
Detroit 21 25 .458 12
Toronto 10 26 .278 23

WESTERN CONFERENCE

San Antonio 24 14 .630 0
Albuquerque 21 15 .588 1
Minnesota 20 16 .558 2
Houston 19 17 .529 3
Vancouver 13 25 .344 10 1/2

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION
W L T Pct GB
New Jersey 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
New York Rangers 25 18 5 .583 6
New York Islanders 20 23 7 .467 11
Washington Capitals 19 24 7 .444 12
Ottawa Senators 17 26 7 .396 14
Boston Bruins 16 27 5 .370 15
Toronto Maple Leafs 15 28 5 .349 16

METROPOLITAN DIVISION

W L T Pct GB
New York Rangers 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
New York Islanders 20 23 7 .467 11
Washington Capitals 19 24 7 .444 12
Ottawa Senators 17 26 7 .396 14
Boston Bruins 16 27 5 .370 15
Toronto Maple Leafs 15 28 5 .349 16

CENTRAL DIVISION

W L T Pct GB
New York Rangers 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
New York Islanders 20 23 7 .467 11
Washington Capitals 19 24 7 .444 12
Ottawa Senators 17 26 7 .396 14
Boston Bruins 16 27 5 .370 15
Toronto Maple Leafs 15 28 5 .349 16

WESTERN CONFERENCE

W L T Pct GB
New York Rangers 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
New York Islanders 20 23 7 .467 11
Washington Capitals 19 24 7 .444 12
Ottawa Senators 17 26 7 .396 14
Boston Bruins 16 27 5 .370 15
Toronto Maple Leafs 15 28 5 .349 16

FOOTBALL

MAJOR LEAGUE

ATLANTIC DIVISION
W L T Pct GB
New York Rangers 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
New York Islanders 20 23 7 .467 11
Washington Capitals 19 24 7 .444 12
Ottawa Senators 17 26 7 .396 14
Boston Bruins 16 27 5 .370 15
Toronto Maple Leafs 15 28 5 .349 16

MAJOR COLLEGE SCORES

Kansas 83 Iowa St. 62
Kentucky 63 LSU 61
Stanford 74 California 72
Michigan St. 84 Ohio St. 58

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION
W L Pct GB
New Jersey 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
New York Rangers 25 18 5 .583 6
New York Islanders 20 23 7 .467 11
Washington Capitals 19 24 7 .444 12
Ottawa Senators 17 26 7 .396 14
Boston Bruins 16 27 5 .370 15
Toronto Maple Leafs 15 28 5 .349 16

CENTRAL DIVISION

Indiana 29 17 .628 0
Chicago 28 18 .609 1
Charlotte 27 19 .587 2
Cleveland 26 20 .565 3
Atlanta 26 20 .565 4
Milwaukee 24 22 .522 6
Detroit 21 25 .458 12
Toronto 10 26 .278 23

WESTERN CONFERENCE

San Antonio 24 14 .630 0
Albuquerque 21 15 .588 1
Minnesota 20 16 .558 2
Houston 19 17 .529 3
Vancouver 13 25 .344 10 1/2

BASEBALL

MAJOR LEAGUE

ATLANTIC DIVISION
W L T Pct GB
New York Rangers 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
New York Islanders 20 23 7 .467 11
Washington Capitals 19 24 7 .444 12
Ottawa Senators 17 26 7 .396 14
Boston Bruins 16 27 5 .370 15
Toronto Maple Leafs 15 28 5 .349 16

MAJOR COLLEGE SCORES

Kansas 83 Iowa St. 62
Kentucky 63 LSU 61
Stanford 74 California 72
Michigan St. 84 Ohio St. 58

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION
W L Pct GB
New Jersey 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
New York Rangers 25 18 5 .583 6
New York Islanders 20 23 7 .467 11
Washington Capitals 19 24 7 .444 12
Ottawa Senators 17 26 7 .396 14
Boston Bruins 16 27 5 .370 15
Toronto Maple Leafs 15 28 5 .349 16

CENTRAL DIVISION

Indiana 29 17 .628 0
Chicago 28 18 .609 1
Charlotte 27 19 .587 2
Cleveland 26 20 .565 3
Atlanta 26 20 .565 4
Milwaukee 24 22 .522 6
Detroit 21 25 .458 12
Toronto 10 26 .278 23

WESTERN CONFERENCE

San Antonio 24 14 .630 0
Albuquerque 21 15 .588 1
Minnesota 20 16 .558 2
Houston 19 17 .529 3
Vancouver 13 25 .344 10 1/2

SOCCER

MAJOR LEAGUE

ATLANTIC DIVISION
W L T Pct GB
New York Rangers 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
New York Islanders 20 23 7 .467 11
Washington Capitals 19 24 7 .444 12
Ottawa Senators 17 26 7 .396 14
Boston Bruins 16 27 5 .370 15
Toronto Maple Leafs 15 28 5 .349 16

MAJOR COLLEGE SCORES

Kansas 83 Iowa St. 62
Kentucky 63 LSU 61
Stanford 74 California 72
Michigan St. 84 Ohio St. 58

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION
W L Pct GB
New Jersey 33 16 4 .672 0
Philadelphia 30 19 3 .611 1
Pittsburgh 26 18 6 .590 5
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WESTERN CONFERENCE

SPORTS

Stars Beat Flyers as Turek Gets A Shutout

The Associated Press

Roman Turek replaced the injured Ed Belfour in the Dallas Stars' goal but it made little difference to the Stars, who beat the Philadelphia Flyers, 1-0.

Turek, who is 27, has played his first full National Hockey League season.

NHL ROUNDOUP

stopped 26 shots for his first career shutout as the Stars, who top the NHL standings, beat last season's losing Stanley Cup finalists. Turek started because Belfour, who has seven shutouts this season, has a sore back.

Turek won for the eighth time this season to extend the Flyers' losing streak to four — their longest since March 26-31, 1994.

Islanders 4, Canadiens 2 Bryan Smolinski broke a tie at 10:48 of the third period as New York extended its unbeaten streak to five games.

Devils 2, Senators 0 Martin Brodeur made 19 saves behind a tough New Jersey defense as the Devils shut out the Senators for the second time in three days.

Lightning 3, Hurricanes 3 Tampa Bay's club-record 13-game losing streak ended, but the Lightning blew a two-goal lead and had to settle for a tie at Carolina.

Maple Leafs 3, Blues 2 Fredrik Modin scored the winning goal with 6:25 left in the third period as Toronto ended a four-game losing streak with a victory over visiting St. Louis.

Penguins 2, Capitals 2 Andrew Brunette scored with 5:51 left in the third period as Washington tied Pittsburgh, thanks to a 34-save effort by Olaf Kolzig.

Bruins 2, Sabres 2 Michael Peca scored off a rebound with 1:20 left in regulation as Buffalo extended its unbeaten streak to seven games with a victory over visiting Boston.

Sharks 3, Oilers 0 Mike Vernon made 21 saves for his fourth shutout of the season as San Jose won at Edmonton.

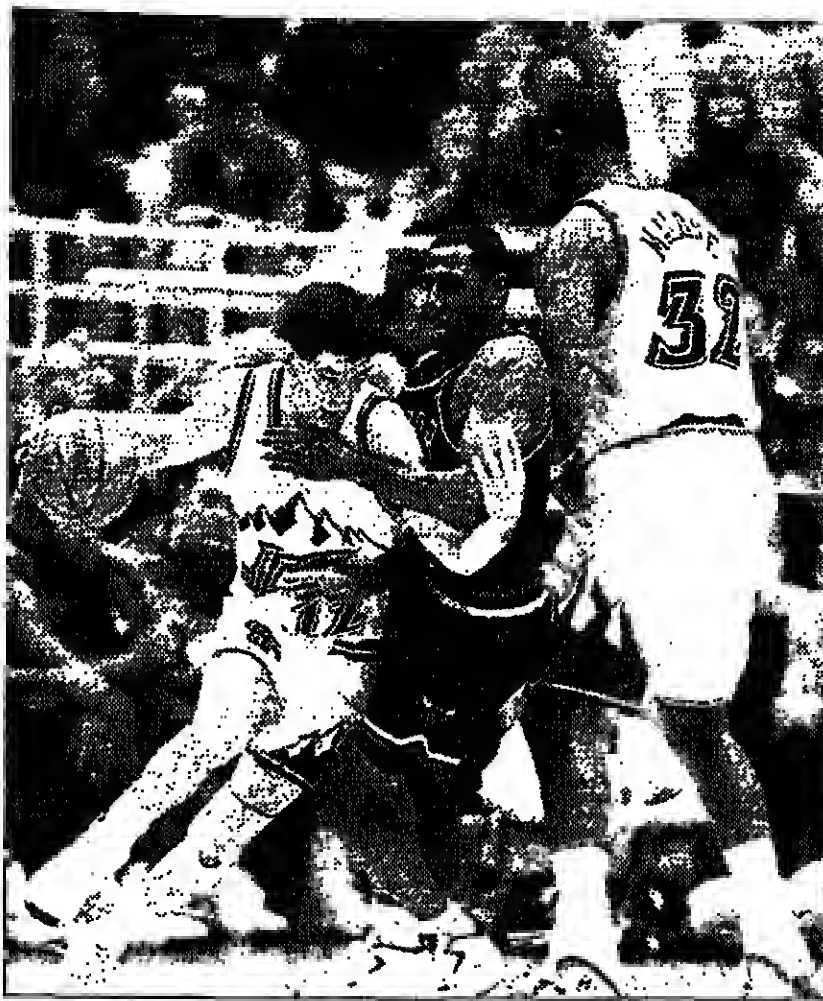
Mighty Ducks 3, Rangers 2 Teemu Selanne increased his league-leading goal total to 41 with his second consecutive two-goal game. He also had an assist as Anaheim beat New York.

Rule Changes Backed

NHL general managers have backed seven rule changes — including the elimination of the red line at center ice — to speed games and create more scoring.

The Washington Post reported. The general managers cannot implement changes, only recommend them to team owners, who will meet in June. In addition, the league will examine three areas after the Olympic break: goal-tenders' equipment, a second referee and obstruction infractions.

Six changes will be tested in the minor leagues the rest of this season to see if they should be recommended: Moving the net out another one to three feet (30 to 90 centimeters); Not allowing the goalie to handle the puck behind the net; hurry-up faceoffs; banning line changes in the neutral zone; not allowing the puck carrier to stop behind his own net; requiring players who commit minor penalties to serve the full two minutes.



Two Utah Jazz veterans, John Stockton, with the ball, and Karl Malone, right, catching Randy Brown of the Chicago Bulls in a classic pick.

Jazz Sweep the Bulls; SuperSonics March On

The Associated Press

The NBA championship was not on the line this time. Still, the Utah Jazz took great satisfaction in sweeping the Chicago Bulls.

The Jazz, who lost a six-game series to the Bulls in last year's NBA Finals,

NBA ROUNDOUP

completed a two-game, regular-season sweep of Chicago with a 101-93 victory Wednesday night.

"We've been very ready to play these guys this year," said John Stockton, who had 17 points and 18 assists for the Jazz.

Karl Malone scored 30 points for Utah, which overcame a 24-point first-half deficit to become the first team to sweep a season series from the Bulls in three years. The Jazz won their first meeting, 101-94, in Chicago on Jan. 25.

Michael Jordan led the Bulls with 40 points, but he didn't get much support. Ron Harper, who scored 14, was the only other Chicago player in double figures.

After the game, Jordan repeated his position that he would not play for the Bulls next year unless Phil Jackson returned as coach. Since Chicago's general manager, Jerry Krause, made it clear Wednesday that Jackson would not be back and since Jordan does not want to play for another team, it appeared that this would be Jordan's last season.

"If Phil is out, then this is my last year," Jordan said. "I won't play. I'll retire. It is that simple."

SuperSonics 104, Pacers 97 In Seattle, Vin Baker tied his career high with 41 points as the Sonics snapped Indiana's seven-game winning streak.

The Sonics improved their NBA-best record to 37-10. The Pacers have the best record in the East at 33-13.

Lakers 122, Trail Blazers 115 In Inglewood, California, Eddie Jones scored 28 points, and Los Angeles had four players with 20 or more points for the third straight game.

Kobe Bryant added 26 points, Nick Van Exel 23 and Shaquille O'Neal 21 for Los Angeles.

Celtics 110, Mavericks 99 In Boston, Dee Brown hit six 3-pointers in the fourth quarter and scored a season-high 32 points as the Celtics handed Dallas its 19th consecutive road loss.

Heat 98, 76ers 84 In Philadelphia, Alonzo Mourning had 19 points and 15 rebounds as Miami handed the 76ers their seventh straight loss.

Wizards 104, Cavaliers 88 In Washington, reserve Tracy Murray scored 24 points and Juwan Howard had 22 points and 13 rebounds as the Wizards won their third straight.

Timberwolves 95, Knicks 88 In Minneapolis, Stephen Marbury had 29 points and 10 assists as Minnesota stopped New York. The Wolves snapped a three-game losing streak and handed the Knicks their fifth loss in six games.

Kings 101, Nuggets 99 In Denver, Mitch Richmond scored 32 points, including four free throws in the final 12 seconds, as Sacramento ended a six-game road losing streak.

Carlesimo Testifies

P.J. Carlesimo, the Golden State Warriors' coach, testified for seven hours Wednesday in the hearings over the suspension from basketball of Lamell Sprewell, the former Golden State player. The Associated Press reported from New York. Sprewell was suspended after attacking Carlesimo during practice on Dec. 1. The coach's testimony was the longest of any of the 18 witnesses who have been questioned.

Memories of Manchester's Babes

Crash in 1958 Destroyed a Team, Created a Legend, and Left a Debt

By Rob Hughes
International Herald Tribune

LONDON — The police witness expertly described the scene after a terrible event that 40 years ago destroyed, yet made, Manchester United.

"When they brought them home," said Constable Tom Potter, "the streets were crowded but there was hardly a sound. All you heard were the wheels on the road, and grown men crying. The coffins were taken into a small gymnasium used as a chapel of rest, and two of us were locked inside the stadium for what was a long night."

The policeman never got over his vigil over the remains of the Manchester United players who, with team officials and sportswriters, perished in a twin-engine British European Airways plane that crashed on its third attempt to take off in snow, slush and ice at Munich airport. The charter flight had stopped to refuel on the way home from United's successful European Cup quarter final against Red Star in Belgrade.

Mr. Potter spoke this week on a Granada TV reconstruction of the day the "Busby Babes," United's emerging young team, was destroyed.

"We couldn't wait to go home in the morning and forget it," he recalled. "But I could never forget. All night long, I smelled the fresh varnish of those coffins, and to this day, that smell brings it back."

Millions remember where they were when, at 3:06 on the afternoon of Feb. 6, 1958, arguably the finest, most glamorous team in the world went down. Today there are Manchester United supporter clubs in 157 countries. The parent club is an institution, a financial giant worth \$650 million, again with rising, youthful, trendy players.

Many people ask how United came to transcend language and culture around the globe. Torino never truly recovered after its greatest team was in a plane that hit a mountain in 1949, killing 18 players.

The answer might start with television. In 1949 it hardly existed, by 1958 it could transmit grainy images from Munich,

images of heroic survival and compassionate care in the casualty ward where Matt Busby, the father of this team, and such players as Bobby Charlton were nursed back to competitive living. Above all, there was the indomitable Busby who rebuilt a team to conquer Europe a decade later, just as postwar he raised United out of the rubble of a bombed Old Trafford Stadium.

When the policeman, the survivors, the widows, the children, gather at Manchester Cathedral in remembrance on Friday, the spirit of the late Sir Matt will be with them. For, one will never forget his words: "Before that terrible day, I could see 10 years ahead, 10 years at the top with nothing to stop us," he said. "After it, I had two choices. I could either lie down and hide, or pick myself up and accept the challenge."

Before he could pick up those threads, Busby had watched Duocan Edwards, the player he was convinced would mature into the most powerful in world sport, slowly surrender to his wounds. For 15 days, Edwards battled, calling out to ask the kickoff time of the next match against the Wolverhampton Wanderers. When, finally, he died, Edwards joined the seven lost in the wreckage — Geoff Bent, Roger Byrne, Eddie Coleman, Mark Jones, David Pegg, Tommy Taylor and Billy Whelan.

They, and others who returned diminished or overcame to perform again, were young gods, but not like today's instant heroes. Where David Beckham, a player of marvelous potential, is a model Mancunian millionaire — betrothed to a Spice Girl and earning \$30,000 a game, plus a million dollar Adidas endorsement and more than a million from Brylcreem — some survivors of Munich are sick and in need. During their aborted stardom the top weekly wage for soccer players was £15 (about \$40 at the time).

Those survivors had something the modern players will never experience: a unity shared with fans of similar means and lifestyle. They were "ordinary," yet they built a legacy from which the club and its new generation grow almost obscenely rich.

There will be a minute's silence at Old Trafford before Saturday's game against Bolton Wanderers. Wreaths will be laid on the center circle. Later this month, there will be a testimonial match that will fill the stadium to its 55,000-seat capacity. Eric Cantona, who left the club a year ago, will come back to play in that. Eric is still some kind of a hero, though the boys in red have not missed his flair on the field this season.

HARRY Gregg, who with a true goalkeeper's bravery went back into the wreckage to rescue a baby, then to pull out her mother, the wife of a Yugoslav attaché given a lift to London, will also return with his memories and regrets.

"Looking back," he muses, "we should never have got on that plane three times. But it takes a very brave man to be a coward." United fought BEA's insurers for compensation for "loss of players, loss of potential transfer fees, loss of gate money, loss of prestige." The club received £35,000, less than the price of Beckham's recently flaunted engagement ring.

If he and his teammates think deeply they may realize that the standards of this mighty club, as well as the global affection it attracts, were created by the class of '58. Some of those died, some are silently struggling against disabilities and lack of a decent pension. The debt owed to those men, and to the bereaved, could be met by United donating into a trust fund the proceeds of a single game a year — or the start of today giving a thousand dollars, small change to them, off their weekly salary.

While the club capitalizes on the feelings so many have toward it, those who suffered for their association with the legend have all but been laid to rest. "You know, I never told Duncan he was great," said the mother of Duncan Edwards on the TV documentary, "but he was. I never told him I loved him, but I did."

So, Mrs. Edwards, did whole generations of soccer watchers.

Rob Hughes is on the staff of The Times of London.

Korean Leader Questions Building Stadiums

Compiled by Our Staff From Dispatches

SEOUL — Kim Dae Jung, the president-elect of South Korea, called Thursday for a review of plans to build stadiums for the 2002 World Cup in view of the country's economic crisis.

"Do we actually need to invest trillions of won to build 10 stadiums while our economy is in trouble under the International Monetary Fund program?" an official of Mr. Kim's transition committee quoted the president-elect as asking the committee.

South Korea is the co-host for the finals in 2002, along with Japan. The 10 Korean cities due to stage matches are Seoul, Pusan, Daegu, Kwangju, Ulsan, Taegjeon, Incheon, Suwon, Chonju and Seogwipo.

"It will cost an enormous amount of money to administer the facilities after the event," Mr. Kim said.

Mr. Kim has ordered the committee to study ways to use existing facilities instead of building new ones.

Choi Chang Shin, secretary-general of the Korean World Cup Organizing Committee, said an estimated 2 trillion won (\$1.5 billion) would be needed to build the stadiums.

"We fully understand the economic

situation that the country faces, and we have studied the best way to cut cost and to maximize effectiveness," he said.

"We have no alternatives but to build new ones to meet the requirements set by FIFA," an official at Chonju's City

World Soccer

Hall said. He said the existing facility there had only 28,000 seats, while the soccer federation's requirements said it should have 40,000.

"I believe Kim's concerns are about a new stadium in Seoul," he added.

South Korea had planned to spend an estimated 240 billion won to build a stadium in Seoul for the opening ceremony of the World Cup.

"Japan is investing a lot of money to build a state-of-the-art stadium for the World Cup final," Mr. Choi said. "Why should we hold the opening event in a modified stadium? It will hurt our national pride."

ENGLAND Jürgen Klinsmann, the German international forward, was knocked out and broke his jaw as Tottenham Hotspur lost, 3-1, to Barnsley in an English FA Cup replay Wednesday.

Klinsmann, the captain of the Ger-

man national team, visited a specialist Thursday. He will be out of action for at least a month.

In Newcastle, Alan Shearer scored twice with headers as Newcastle United of the Premier League beat the semi-professional Stevenage Borough, 2-1, in a replay. Shearer, playing his first home game of the season after an injury, scored in the 16th minute on a disputed goal that may not have crossed the line and got another goal early in the second half.

GOLD CUP In Oakland, California, Mexico gained its first victory under coach Manuel Lapuente as it beat Trinidad and Tobago, 4-2, in the Concacaf tournament.

Luis Hernandez scored twice, and Francisco Palencia and Ramon Ramirez also scored for Mexico. Lapuente took over from Bora Milutinovic in December.

Mexico plays Honduras on Saturday in the final Group 2 match and can qualify for the semifinals with a draw.

In the first match of the doubleheader, Paulo Wanchope scored four goals as Costa Rica beat Cuba, 7-2, in Group 3. Costa Rica now can reach the semifinals by drawing with the United States in the final group match Saturday.

DENNIS THE MENACE



"YOU WERE RIGHT, MOM. IT WAS GOOD, AND IT DIDN'T KILL ME."

JUMBLE

Unscramble these four jumbles. Write the answers in the boxes. (Answers appear on page 22.)

CEPII

MUPLI

DERAIM

INSECK

Answers: CIPHER, MULE, MIRAGE, KENNEL

What the for-
tune teller
predicted for
her work.

How strange the clock looks to
him the minute after, as he
glances at the clock again.

Answers: CHAIR LEAVE BECOMING FURNITURE
Answer: A clock and its owner's work become
the — HER NAME CONCERN

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E-mail: reservations@hotelroyal.lu
Grand-Duchy of Luxembourg

PEANUTS



GARFIELD

I'LL HAVE A HAMBURGER, FRIES AND A CHOCOLATE MILKSHAKE. YES, SIR.

WHAT WOULD YOU LIKE, GARFIELD?

ONE OF THOSE BOXES RIGHT NEXT TO MY BED!

WONDER WHERE OLD MAN SICKLE IS TODAY?

THERE'S A SIGN ON THE GATE.

WHAT DOES IT SAY?

CLOSED TODAY

THERE'S BEEN A BIRTH IN THE FAMILY.

BEETLE BAILEY

WELL, IT'S 5:00. I'M OFF TO THE CLUB FOR A DRINK.

A DRINK?

WHY DO YOU TALK SINGULAR WHEN YOU MEAN PLURAL?

LOOK! IF YOU GUYS WANT TO BE ENGLISH TEACHERS, I CAN ARRANGE IT!

HOW COME?

BECAUSE THIS COOL COO KEEPS FORGETTING HIS LINES.

OOC OOC? OOC OOC?

SEE WHAT I MEAN.

BLONDIE

I HAVEN'T SEEN A COO-COO CLOCK IN YEARS.

THIS ONE AT A GREAT COO-COO PRICE.

CALVIN AND HOBBES

HEY! HEY! KID, WHAT ARE YOU DOING?

NO, YOU CAN BELIEVE SOME THINGS I TELL YOU...

I'M GOING THROUGH YOUR LUGGAGE. WHAT'S IT LOOK LIKE I'M DOING?

DID MOMMY AND DADDY RAISE YOU YOURSELF, OR DID THEY JUST UNTIE YOU FOR MY VISIT?

DIDN'T YOU WANT TO FIND OUT HOW NERVEY?

WIZARD OF ID

WONDER WHERE OLD MAN SICKLE IS TODAY?

THERE'S A SIGN ON THE GATE.

WHAT DOES IT SAY?

CLOSED TODAY

THERE'S BEEN A BIRTH IN THE FAMILY.

NON SEQUITUR

THE SPIRITS WILL SPEAK TO ME THROUGH THE CARDS...

HEY! IF THE NEXT CARD IS A TEN OF GRACES, IT'LL BE A ROYAL FLUSH!!

SO HOW ARE WE HOLDING UP WITH THE PUBLIC GRASSHOP?

WELL, SIR, A LOT OF PEOPLE ARE CONCERNED ABOUT THE REPAIRS AND CONSTRUCTION OF JUSTICE THING.

GO HEARD CALLER.

SEAN, WHERE CAN I GET AN URGENT?

AND THEN SOME.

PUT ON THE BELT FROM THE PUBLIC GRASSHOP TO BE CUTTING YOU THE USUAL SLACK.

THE SPIRIT GUY THAT YOU HAVE A GAMBLING PROBLEM...

MEAN YOU ARE GOOD!

DOONSBURY

THE SPIRIT GUY THAT YOU HAVE A GAMBLING PROBLEM...

MEAN YOU ARE GOOD!

DOONSBURY

DOONSBURY

